



Providing Solutions for Industrial Bulk Packaging



A Legacy of Consistency

KANPUR PLASTIPACK LIMITED | ANNUAL REPORT 2020-21

Over the past 50 years, we have evolved and transformed by witnessing highs and lows. We have adapted to change, carrying forward our legacy of trust, innovation and business excellence.

Today, we stand at the brink of a memorable milestone, exploring new opportunities and transforming our vision into reality. And yet, we remain rooted to our core values of customer service, nurturing relationships and integrity. Blending new-age thought and tradition has led to remarkable growth and consistent progress.

As we enter a new era, we are determined to keep pace with a rapidly changing world and aim to redefine our future built on these strong foundations - "The legacy continues."

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Forward looking statement

Some information in this report may contain forward-looking statements. These forward looking statements are based on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forwardlooking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forwardlooking statements and assumed facts or bases and actual results can be material, depending on the circumstances.

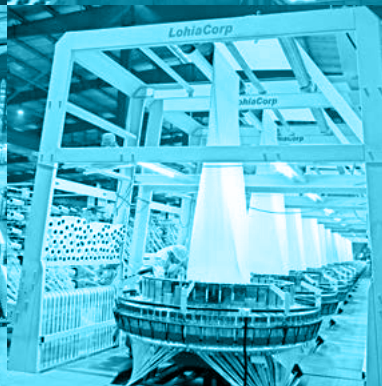


Your Trust is
the Reason

WE'RE 50 TODAY



KANPUR PLASTIPACK LIMITED
KANPUR
ISO:9002-1994 CERTIFICATION AWARD CEREMONY
16TH MARCH, 2000



We have come a long way
in the last 50 years from
a humble beginning as a
small scale enterprise in
the year 1971, to become
a globally recognized
and trusted company for
FIBCs and Industrial Bulk
Packaging Solutions.
It is the trust and faith
that you have placed on
us that has inspired us
throughout this journey.

Kanpur Plastipack at a Glance

Established 50 years back in 1971, Kanpur Plastipack Limited (KPL) is a fully integrated end-to-end industrial bulk packaging solution provider. We have evolved over the years into one of the world’s leading manufacturers and exporters of Flexible Intermediate Bulk Containers (FIBCs) PP Woven Fabrics and Multi Filament Yarn (MFY).

With our world-class facilities at three locations, proven expertise and deep domain knowledge, we have created a niche for our brand and products in the markets we serve. Our commitment to adopt innovative and best-in-class technologies has helped us to establish ourselves as a cost-competitive brand, offering quality products and expanding our global market presence.



We remain committed to invest in both human capital & infrastructure.



Vision

Our vision is to enhance the lives of business communities through technologically advanced packaging solutions and a value-driven partnership.



Mission

Our mission is to inspire, innovate and bring forth a tangible change in market leadership through customer satisfaction and global partnerships.



Values



Agile Development



Stability



Sustainability



Reliability

459 Cr.

Turnover FY21

30 Cr.

PAT FY21

36 Countries

Market presence

1533

Employees as on March 31, 2021

3

Manufacturing units

206 Cr.

Market Capitalisation as on March 31, 2021

Chairman's Message



“Arise, Awake and Stop not till the desired result is achieved.”

This has been the mantra all my life and a lesson imbibed in the generations to follow.

“I lay down office with a sense of satisfaction and take solace in the fact that the legacy will live on in the hands of the next generations.”

Dear Shareholders,

As I write to you, on the 50th year of our glorious existence, I feel both humbled and proud of our achievements. It is a great privilege to celebrate this momentous occasion with all of you.

In 1971, when we started with 50 employees, as a small manufacturing unit and a capital of only ₹ 2 Lacs, I had never envisioned that we would one day emerge as a globally recognised company. It gives me immense pleasure to see your Company come this far, to be ranked among the global leaders in FIBCs and Bulk bags.

We have together seen a history of many firsts in the company. While challenges have marked our journey, we humbly accepted every hurdle as opportunities to learn, grow and move forward.

I recall the words of Swami Vivekanand on his return from the USA in 1893:

“Arise, Awake and Stop not till the desired result is achieved”. This has been the mantra all my life and a lesson imbibed in the generations that now follow me. Indeed, it was also destiny that was guiding us at every stage & at crucial times lending a helping hand.

As I reminisce about this period of 50 years, it can be divided into three parts: -

- 1 The first 25 years:** 1971- 1996 was the process of establishment and consolidation. A period which saw the fortunes of the Company affected by geopolitical situations, an immense period of shortages and a series of adverse laws impacting business. I do not hesitate in acknowledging our resilience to have withstood and overcome all of this.
- 2 The next 15 years:** 1996-2010 was a path to recovery led by product diversifications and an emphasis on exports and improving productivity. It also saw the start of the FIBCs division and active diversification into Multi Filament Yarn.
- 3 The last decade:** 2011 to 2021 has seen major expansion projects and massive improvements in infrastructure and backward integration. Led of course by the joining of the 3rd generation in the company and the creation of a road map for the future.

Our success is a testament to the hard work of our employees, unwavering support of our shareholders, unstinted loyalty of our customers, vendors, suppliers, banks and financial institutions and all stakeholders – standing tall with us in our journey of excellence over decades. I would like to take this opportunity to thank all our Directors, both past and present, who have been an integral part of our legacy and have significantly contributed to our sustained success. I believe your Company will continue its robust growth story with the same resilience and agility it has shown over the decades.

As I lay down office having completed this arduous journey of fifty years, I do so with a sense of satisfaction and take solace in the fact that the legacy will live on in the hands of the next generations. I cannot help but mention what the “Bhagwad Gita” teaches us. It encourages us to live life with purity, strength, discipline, honesty, kindness and integrity in order to find our purpose and live it fully. I leave these parting thoughts with you and may God bless you all.

Mahesh Swarup Agarwal
Chairman Emeritus

A Walk Down Memory Lane



First Tape Line



First Flat Looms



Jute Bags



Public Issue Press Conference



First Export



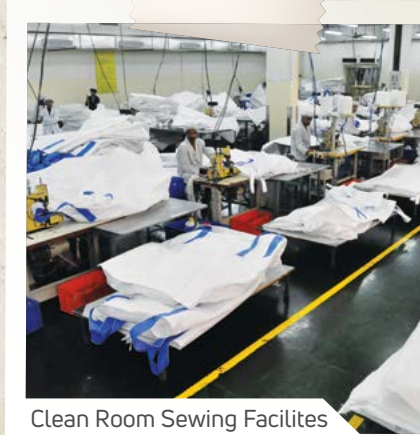
Unit-2 Inauguration



First Sulzer Loom



Unit 2



Clean Room Sewing Facilities



Unit-3 Weaving



Niryat Shree Award



New Logo Launch

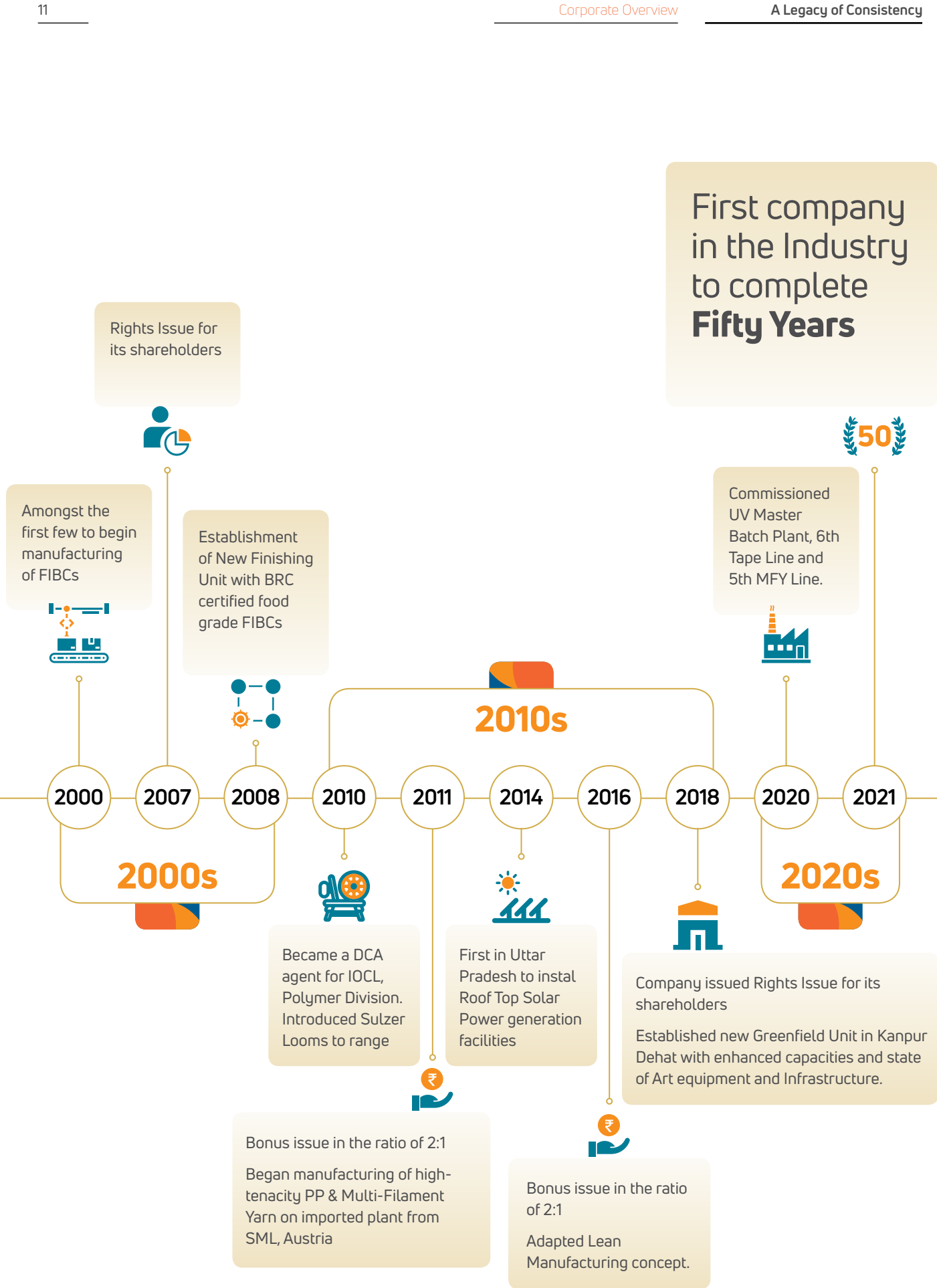
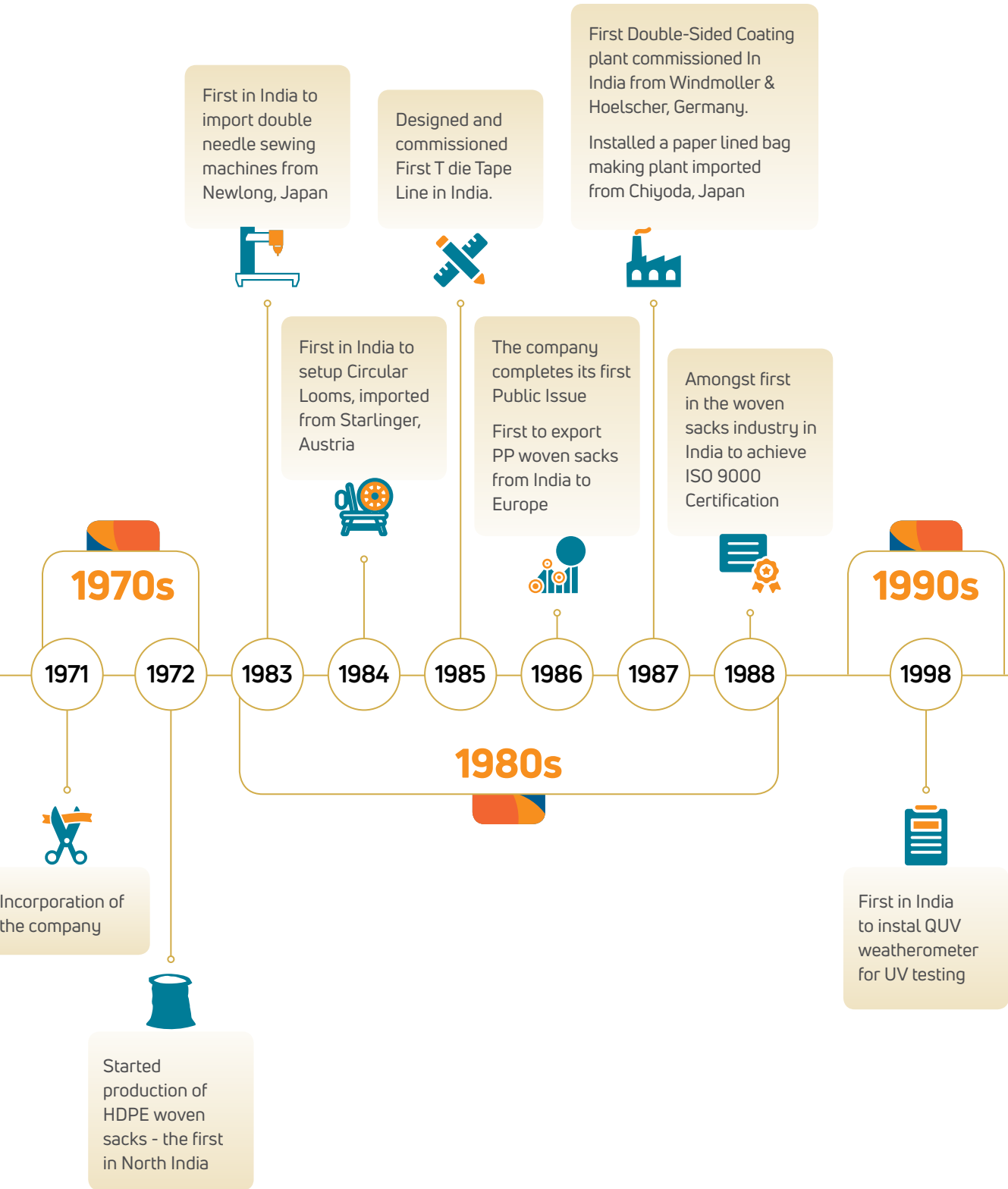


Unit 3 Inauguration



Unit-3

Our Journey - Built on Excellence



Our Product Offerings

In the last five decades, we have worked to constantly evolve and integrate our product line to be able to serve our clients. Starting 50 years back as a single product manufacturer, today we offer a diversified range of products offering solutions to our clients in industrial bulk packaging.



Flexible Intermediate Bulk Containers (FIBCs)

12,464 MT

Quantity sold

FIBCs, also referred to as bulk bags, are used to transport bulk materials across downstream industries. We offer a range from 1000 Kg to 2000 Kg capacity bag and the bags are customised based on customers requirements. Our newly upgraded manufacturing facilities have further widened our product range to serve our growing market presence globally.

Application Industries

- Chemicals, • Fertilisers, • Fibreglass,
- Food Products, • Grains, • Mining,
- Construction, • Pigments, • Plastics,
- Seed

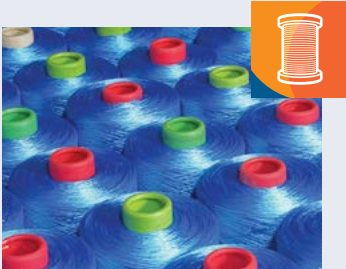
Customised and Innovative Products

Over the years we have introduced a number of specialised FIBC products, catering to diverse customer requirements.

Modified Atmosphere Packaging (MAP) FIBCs: A new innovative packaging solution to create Modified- or Controlled Atmosphere in FIBCs. Used in food products, MAP adjusts oxygen and CO2 levels within the packaging to maximise shelf life of specific products. We introduced these bags to serve our clients in the food industry.

Certified Food Grade Bags: We offer BRC and ISO 22000 certified bags from our clean room units for the food industry.

UN FIBC Bags : These are bulk bags used for packing hazardous goods, designed as per United Nations Recommendations for Transport of Dangerous Goods.



PP High Tenacity Multifilament Yarn (MFY)

3,992 MT

Quantity sold

The division has seen continuous and substantial growth since we started production in 2011. Today, we are one of the most prominent players and contributors to the MFY industry, delivering products in India and abroad.

Application Industries

- Rope, • Sewing Thread, • Handicraft,
- Polypropylene Cloth, • Container Bag,
- Shoe Lace, • Safety Net, • Belts,
- Saddlery



PP Fabric

7,973 MT

Quantity sold

We offer a wide range of fabrics woven on both circular and sulzer looms. We have looms of all types thus offering us the flexibility of sizes and specifications. We have the flexibility to offer coloured and UV stabilise fabric.

- PP Woven Fabric, • PP Multifilament Yarn Fabric, • Circular Fabric, • Sulzer Fabric, • Ventilated Fabric, • Horse Rug Fabric, • Jute Alike Fabric

Application Industries

- Packing, • Flexible Intermediate Bulk Container (FIBC) • Outdoor Covers, • Tarpaulin • Garden Covers • PP Bags used for fertiliser, cement, foodgrains, etc.



UV Masterbatch

376 MT

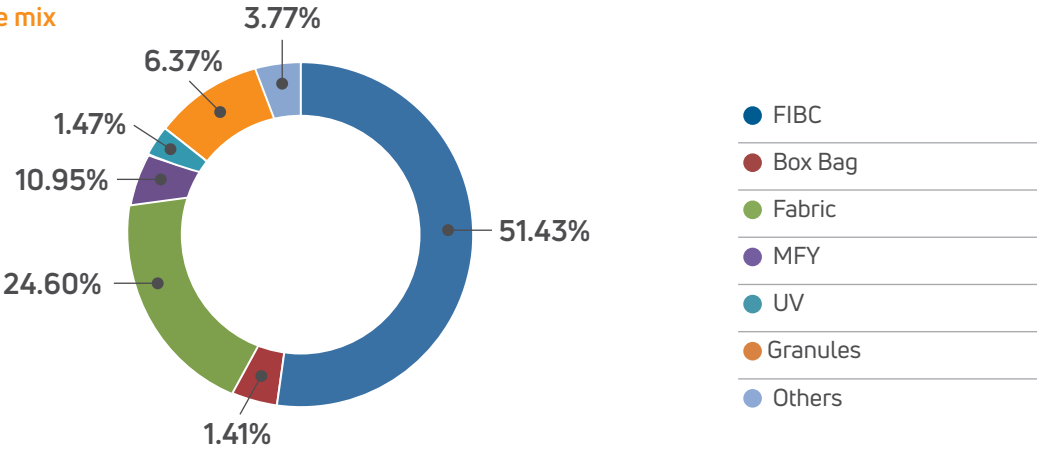
Quantity sold

We recently forayed into the UV masterbatch segment, helping in captive consumption and better offerings to the market.

Application Industries

- FIBC bags, • MFY, • PP Woven Sacks, • Greenhouse Film, • Moulded Crates, • Drums, • Garbage Cans, • Garden Furniture, • Outdoor Articles, • Tarpaulin, • Roto Moulded Water Tank, • Shade Net

Revenue mix



Encouraging Sustainability through Solar Power

Kanpur Plastipack Limited has been a frontrunner in the adoption of renewable energy sources and became one of the first in the state of Uttar Pradesh way back in 2014 to instal Roof Top Solar Panels. The Company currently has a capacity of 576.50 KW from roof top Solar Panels with an additional capacity of 1.75 MW planned for Unit 3 which will together cater almost 8% of our total energy needs from captive energy sources.

We have also entered into a 9.375 MW Power Purchase Agreement (PPA) to procure solar power through the Group Captive Open Excess mode. The first part of this agreement was

made operational at Unit 3 of the Company which currently caters 17% of the total power requirement. When fully operational, this will provide the company with over 31% of its power

requirements from renewable sources. The Company hopes to achieve a target of 40% from Renewable Energy sources for its power needs by the end of FY 22.

Powering with Renewable Source

Existing Solar Power Through Roof Top		Proposed Solar Power Through Roof Top (planned at Unit 3)		Existing Solar Power Through Open Access Mode (partial Implemented)		Proposed Solar Power Through Open Access Mode (After fully implemented)	
576.50 KW		1.75 MW		9.375 MW		9.375 MW	
Unit Generated	Saving in Carbon Credit	Estimated Unit Generated	Estimated Saving in Carbon Credit	Unit Generated	Saving in Carbon Credit	Estimated Unit Generated	Estimated Saving in Carbon Credit
5.08 Lacs	900 Tons	23 Lacs	2,700 Tons	60 Lacs	7,000 Tons	110 Lacs	12500Tons

Dependency on Solar Power

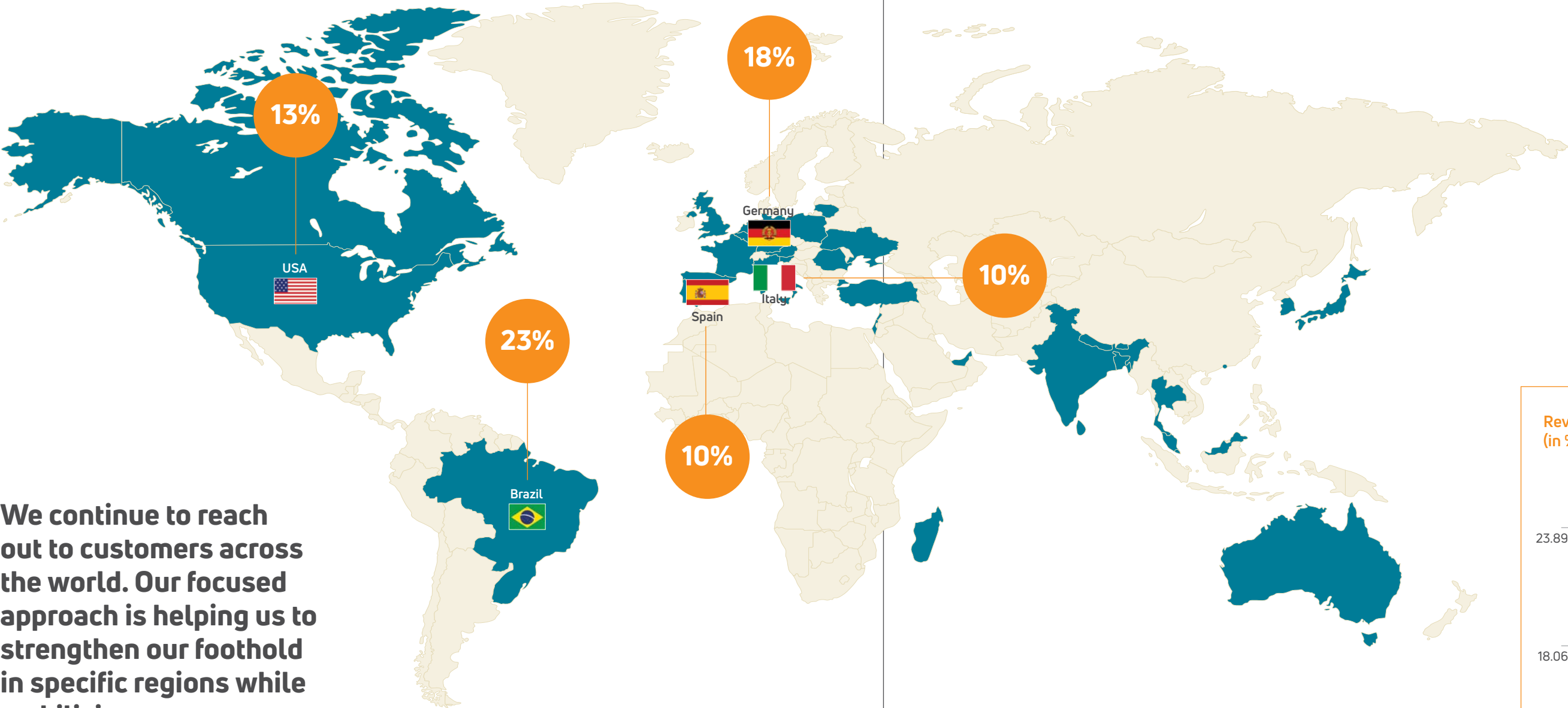
1.44%	6.50%	17%	31.50%
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Total Planned Energy Sourced Through Solar Power

About 40%



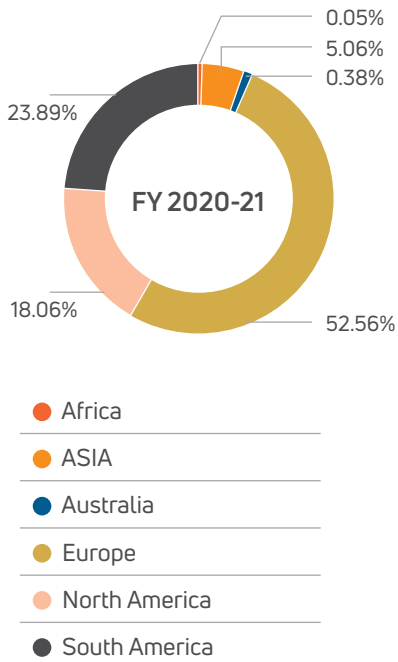
Strengthening Our Global Footprint



We continue to reach out to customers across the world. Our focused approach is helping us to strengthen our foothold in specific regions while mobilising resources to grow our market presence and widen our market share.

75%
Revenue from exports

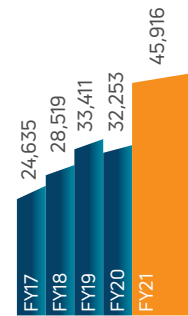
Revenue mix by geography (in %)



Tracking Progress

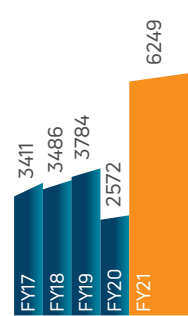
Revenue from Operations

(₹ in lakhs)



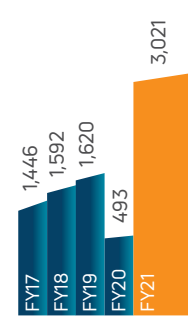
EBITDA
(₹ in lakh)

(₹ in lakhs)



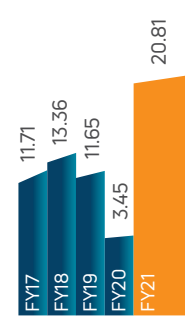
PAT

(₹ in lakhs)



Earnings Per Share
(₹.)

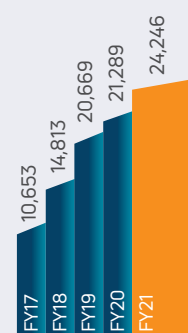
(₹.)



Balance Sheet Analysis

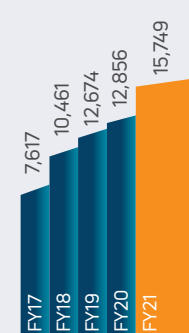
Gross Block
(₹ in lakhs)

(₹ in lakhs)

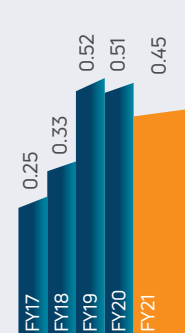


Net Worth
(₹ in lakhs)

(₹ in lakhs)



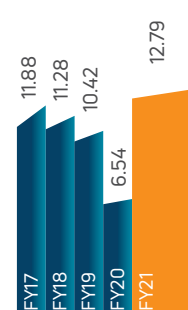
Debt-Equity Ratio



Margins

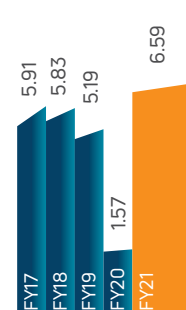
EBITDA Margin
(%)

(%)

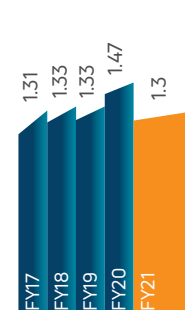


PAT Margin
(%)

(%)



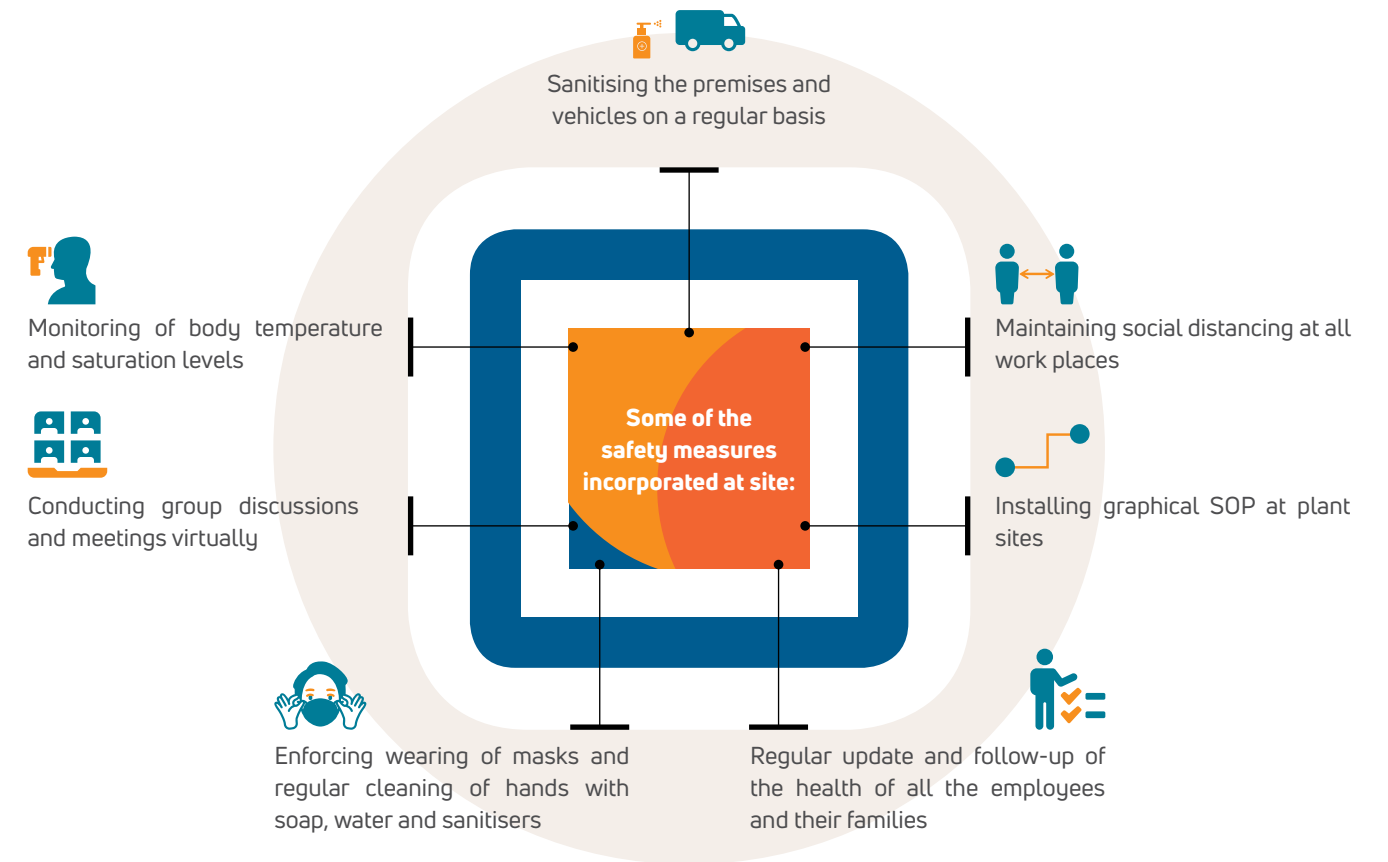
Current Ratio



Our Covid-19 Response

The onset of the Covid-19 pandemic prompted us to be proactive in taking steps to safeguard our workforce. The uncertainty and unpredictability of the pandemic left us to follow strict guidelines as defined by the Government of India and medical experts.

Our management deployed a special team 'Corona Warriors' to continuously monitor and help the workforce. This enabled us in keeping our workforce safe while following operational guidelines.



"Committed to win against COVID -19"



Corporate Social Responsibility

As a corporate citizen, Kanpur Plastipack is committed to the welfare of the society, mainly focused on the activities relating to Healthcare, Training, Skill Development and Sanitation.

Highlights for FY2020-21



Healthcare

- A Clinic has been established in Nauraiya Khera village located adjoining our factory to provide free medical facilities to the villagers of nearby locations.
- Health check-up camps for villagers of the nearby locations of the factory.

6057
Patients treated during the year.

773
Number of patients attended the medical camps.



Education & Skill Development

- Providing salary for two speech therapist at Jyoti Bal Vikas Sanstha. A school for the hearing impaired in Bithoor to train differently-abled children.
- A Training and Skill Development Center has been established to provide vocational training to the nearby people to empower their lives.
- We regularly sponsor the Comfest of Seth Anandram Jaipuria School, Cantt, Kanpur - an annual festival to promote and encourage the skillsets of students.



Protection of Flora & Fauna

- A park has been adopted for its conservation and beautification in order to conserve the natural resources and protection of flora and fauna.
- Putting thrust on animal welfare, the company has adopted 2 leopard cubs at Kanpur zoo and built animal shelters.



Combating Covid-19

The Company has made significant attempts to extend a helping hand. Some of the initiatives we took were:

- Distribution of face masks and sanitisers to the administrative authorities and to the society.
- Distribution of PPE Kits to the Central Industrial Security Force (CISF), Lucknow Airport and to the Sanjay Gandhi Post Graduate Institute of Medical Science (PGI), Lucknow.
- Donation to the Chief Minister's Relief Fund
- Distribution of Refrigerators to Lala Lajpat Rai Hospital, Kanpur.
- Distribution of Bi-Pap machines to

the medicine department of GSVM, Medical College, Kanpur.

- Distribution of Oxygen Concentrators to the Primary Health Center of Rania and Sarvankhera, Kanpur Dehat.
- Aid to Kulwanti Hospital, Kanpur for purchasing Ventilators.



Message from Managing Director



“

I continue to believe in the strength of our human resources and immense intellectual capital garnered over this long period of time to take the right steps in the right direction”

Dear Shareholders

This year your company completes five decades of service to the industry. I would first and foremost like to congratulate everyone on this momentous occasion and thank all our stakeholders who have contributed so significantly to our progress. I would also like to take this opportunity to reflect on the path traversed, as we write a new chapter in our corporate journey.

Since we started in 1971, our journey has been nothing short of remarkable progress. What began as a modest, single-unit, single-product manufacturing unit has evolved into a multi-unit, multi-product company with a global presence. We have grown from strength to strength, growing our customer base and creating a niche for ourselves in the industry with our strong track record of quality and trust. We have not only grown in terms of revenue and profits; but have also forged lasting relationships along the way.

Last year I had talked about coping with challenges and proving our resilience in the face of adversity. I had expressed confidence in our ability to face these challenges and enter the next decade with optimism and a promise of growth. I am happy to say that your Company was able to navigate this difficult period with aplomb and show remarkable results with conviction.

I take this opportunity to thank the entire community of Covid warriors who have so tirelessly worked through the year and more to provide us with the much-needed help and support in making us survive this pandemic. Most importantly

members of our own staff and workers showed unprecedented commitment and have been outstanding in their performance. They need a special word of appreciation and applause.

The Year that was

The last year and a half will possibly never be forgotten for a long time. When the history of these times is written for posterity to remember, we will always salute the brave men and women who lost the battle of survival in these difficult times. As we leave the worst behind us and prepare ourselves to live in a new world, we have optimism on our side and a renewed energy to focus on the future. It is ironical that your company chose this very year to show its best ever performance in terms of Profits and Turnover. Your Company was a front runner in the fight against Covid and actively engaged with the local administration in providing much need reliefs and supplies.

The year saw most countries closing their borders and curtailing economic activity to prevent the spread of the virus. The resulting impact on businesses and people all over the world was unfathomable. Our country also went into lockdown by the end of March 2020, and all economic activities except essential services came to a standstill. The Indian economy, which was already stressed, was adversely affected by the pandemic and is projected to have contracted by 8%. The global economy too is estimated to contract by 3.5%. No one was able to come out unscathed from the pandemic. We were also initially impacted by the lockdown, with our units being partially shut and a severe stress on our supply chain.

As a key packaging material provider for essential products, we could resume operations faster. Our proactive safety measures enabled us to start partial operations from April 3, 2020 and we

were working at full capacity by the start of the second quarter. Prudent cost reduction measures, lower oil prices and favourable raw material prices helped us to get back on our feet in quick time.

The pandemic taught us several lessons. A new way to do business, a new environment in which to work and a new way to try and meet customer expectations. We continued our initiatives on capacity addition and a planned debottlenecking exercise was undertaken leading to a record output last fiscal. The full benefits of this expenditure will show in the current operating year.

Business Overview

The focus of the company during the year was to hold on to our customers and widen our geographical footprint. Exports continue to remain a focus area for us, now representing a little over 75% of our sales. Under our outreach programme we successfully added new customers across several geographical locations. We increased our total Production by almost 43%, reaching an all time high figure of 25508 MT supported by a surge in Fabric sales to South America. Our Turn over went up by 42% to ₹ 459.16 Crores and Profitability by 513% to ₹ 30.21 Crores. The Raffia division itself covering FIBCs and PP Fabrics recorded a growth of 47%. Operations at the new Unit number 3 have now reached optimal levels. During the year we also consolidated the MFY division by shifting the three lines from Unit no 2 to Unit no 3, thus bringing the entire MFY division under one roof. We now have a total of 5 MFY lines and with a sixth one coming next month we will be creating a total capacity in excess of 600 Tons per month in this vertical making us a significant player in this segment. The UV Master Batch machine too has started to run to full capacity thus enabling the in-house production of a key input in processing. We were also able to add capacity in our Raffia Division

with additional Tape lines and Looms in the existing infrastructure available at Unit 3. The full impact of all the above will be seen in the current fiscal.

Sustainability and Green Energy

Our New Unit 3 was designed as a zero discharge factory adopting best in class practises. During the year we were able to successfully implement phase I of sourcing our energy needs from Solar Power. By the end of the year almost 40% of the Company's total energy needs are estimated to come from renewable energy sources reducing the carbon footprint by 16000 TPA. We continue to improve upon our roof top installed capacity hoping to add another 1.75 MW at Unit 3, subject to regulatory approvals. We remain conscious of creating a sustainable environment and are alive towards our responsibilities towards climate change.

A New Era Begins

As the company completes fifty years of its existence it looks forward to a vibrant period ahead and prepares a roadmap for growth and progress. I continue to believe in the strength of our human resources and immense intellectual capital garnered over this long period of time to take the right steps in the right direction.

Your Company has withstood decades of challenges, emerging stronger every year. I strongly believe that we will continue to add more value by delivering on our commitments. I would like to thank all stakeholders and once again the entire Team KPL for their unstinted support in the challenging year gone by. Most importantly, I thank our shareholders without whose loyalty this landmark year would not have been possible.

Manoj Agarwal
Managing Director

Message from Dy. Managing Director



“

Over the years, the organisation has strengthened its value system supported by the four pillars of sustainability, stability, agility and reliability.”

Q.

How would you look back at KPL's journey of five decades?

A.

The Company has today emerged into a leading player in the FIBC and UV-based products with a lions share in specific global markets. The 50 years of trek to reach such great heights has institutionalised the culture of the Company towards a people, customer and employee-centric organisation with its footprints across the globe. Over the years, the organisation has strengthened its value system supported by the four pillars of Sustainability, Stability, Agility and Reliability. In the last decade and a half, the company has grown from ₹ 100 Crores to ₹ 400 Crores, aided by new products and newer market presence, with superior customer service, higher reliability and better quality of products.

Q.

Do you think the Company is capital efficient?

A.

Absolutely, despite being engaged in a capital-intensive business, we have been able to deliver sustained returns to our shareholders. Our RoCE stood at 24.33%, while the RoE was at 20.82%, comfortably placed when compared to the debt-equity ratio of 0.45. We continue to reinvest our accruals timely into expanding capacities, resulting in a deeper market presence across the globe. This prudent capital allocation and healthy return on investments has led KPL to be among the leaders in our industry space.

Q.

How would you define the future that KPL beholds?

A.

The Indian economy has entered an aggressive phase of growth with a target to emerge a US\$ 5 trillion economy by 2025 with a push for 'Make in India'. As a key contributor to Nation's economy and inclusive growth, we are optimistic to build our brand and register a strong growth rate of 10%-12% of revenue in the next decade. However, our growth roadmap is dotted with milestones that will be defined by the philosophy of creating more value for the customers and solving their problems. This is in line with our belief of creating value in our business for long-term. We will achieve this by continuously looking inwards.

Q.

What are the strategic steps to achieve the targeted growth?

A.

Our strategic framework is to position ourselves among Top Market leadership by expanding our Product Portfolio for our growing customer base. This will be aided by our consistent focus on building quality across our Product line and in our operations. We are now focusing on integrating digital solutions in our operations, transforming the company towards Industry 4.0, wherein IoT solutions will enable quick and efficient decision-making, thereby improving productivity significantly. This will yield higher quality of Customer Experience and prudent decision making. Apart from this, capital expenditure is an ongoing process.

Q.

How important is your human capital in your aspirations to take the Company to greater heights?

A.

Extremely important, I would say. Our people have been pivotal to our sustained growth over the years. Now, at a time when we stand at the doorstep to unlock new avenues, we are transforming our Human Capital too. We have scaled up our bandwidth with talented individuals across multiple functions in the Company. Restructuring the processes and functions in the department has enabled us to widen our talent base. We have also strengthened our proximity to our customers with collaborations across key geographies that we are present in.

Q.

What is the next phase of organisational development for your Company?

A.

The Company has streamlined its product portfolio and expanded capacities to capitalise on possible turbulence in global economic growth. Carrying forward the momentum, we aim to integrate our values with dynamic industry changes and demands. Furthermore, we are optimising processes to remove any redundancies and strengthen our adherence towards protocol and compliances that are benchmarked globally. I am confident the way company is placed, with a strong financial position, excellence in manufacturing and niche product portfolio, we will deliver sustainable growth and value to our stakeholders.

Shashank Agarwal
Deputy Managing Director

Profile of Board of Directors

M

Shri Mahesh Swarup Agarwal
Chairman Emeritus (up to 31st May, 2021)

He is the founder of the Company, successfully guided its operations for the past 50 years. His able leadership and foresight have helped the Company to sustain its growth over the years. He was the President of the Merchants Chamber of Uttar Pradesh in 2004-05 and was awarded the ‘President’s Salute’ by the Rotary International President for his outstanding contribution to community service, in 1991. He was also the Founder President of Plastic Woven Sacks Manufacturers Association from 1986 to 1988 and also the President of Panki Industry Association from 1976 to 1986. He has been honoured with the prestigious ‘Lifetime Achievement Award’ from AIFTMA and Tie UP.

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Shri Manoj Agarwal
Chairman Cum Managing Director (w.e.f 1st June, 2021)

He holds a Masters in Management Studies from BITS, Pilani and has been guiding the Company’s operations for over 40 years. Under his able leadership the Company’s operations have improved considerably. He holds vast experience in operations, administration & export marketing. He has been the past Chairman of the Plastics Export Promotion Council and a member of its COA, a past President of the Tie UP chapter, the past President of Indian Flexible Intermediate Bulk Container Association, Member of the Management Committee of Plastindia foundation and is actively involved in a number of professional and social bodies.

M

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Shri Shashank Agarwal
Deputy Managing Director

He holds a B. Engg. (Hons.) degree in Manufacturing Engineering & Operation Management from the University of Nottingham, UK. He has also done a summer course on International Marketing from the Harvard Business School, USA prior to joining the Company where he has now completed more than 10 years and has been instrumental in streamlining the Company’s operations with backward integration and product diversification. He has brought about various improvements in the production and marketing strategies of the Company, leading to a considerable improvement in the Company’s performance.

Shri Sunil Mehta
Executive Director

He holds a B.Tech degree in Textile Technology from TIT, Bhiwani and has over 30 years of experience in the woven sacks industry. He joined the Company in the year 2002 as Vice President. Since then, with his dedicated and able leadership, the manufacturing operations of the Company have grown to multiple locations. He has been instrumental in improving the performance of the Company to world class levels.

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Smt. Usha Agarwal
Woman Director

She is the first woman Director of the Company. She is an Honours Graduate in Botany from the University of Calcutta and has gained experience in administration. She has also contributed actively in the marketing department of the Company for about six years and her vast expertise and knowledge has been beneficial for the growth of the Company. Actively involved in a number of social and philanthropic organisations as a President and committee member.

C

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Shri Prem Singh Khamesra
Independent Director

He is a Fellow member of the Institute of Chartered Accountants and a founding partner of Khamesra, Bhatia & Mehrotra Associates and has practised for 26 years (from 1979 to 2005) providing financial consultancy to businesses. He was Director (Finance) of Mirza International Limited from 2005 to 2008 and was a Government Nominee on the Board of the UP Financial Corporation during 2002-03.

C

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Shri Subodh Kumar
Independent Director

He holds a B.E. (Honours) degree in Mechanical Engineering from Birla Institute of Technology, Mesra, and has over 30 years of rich technical experience. He is a retired Executive Director of LML Limited and has also worked with Eicher Tractor Ltd and JK Synthetics Ltd. He has vast and diversified experience in various prestigious organisations in the field of technology, research and development, new product induction, setting up ancillary units and quality control.

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Shri Akshay Kumar Gupta
Independent Director

He is a Practising Chartered Accountant with over 35 years of experience as the founder partner of Mittal Gupta & Company. He has been professionally active in the Institute of Chartered Accountants of India as a Member of its Central Council contributing as a Chairman and Member of a number of its Committees. A Past President of the Kanpur Chartered Accountants Society, Member Fiscal Law Committee of the Merchants Chambers of Uttar Pradesh, Member of Funds Management Committee of IIT, Kanpur are only some of his credentials. He has a number of technical articles and publications to his credit.

C

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Dr. Ram Gopal Bagla
Independent Director

He is a Mechanical Engineer (Honours) from Bombay University. He retired as the Group Executive President of the JK Cement Group and was also the Chief Executive Officer of JK Rayon. He is a past President of the Merchants Chamber of UP, Kanpur Management Association and Kanpur Productivity Council. He is also actively associated with a number of professional and social bodies.

M

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Shri Dharam Bir Prasad
Independent Director

He is a M. Sc. In Nuclear Physics and a MBA (Hons.) from Lucknow University. He retired from the State Bank of India after serving for over 35 years. He was last posted as the General Manager and Principle at the Staff Training Academy, Gurugram. He also gained wide experience in international banking and treasury operations during a Four-and half-year stint in Frankfurt as Vice President (Control).

Committees of the Board of Directors



Audit Committee



Stakeholders Relationship Committee



Nomination and Remuneration Committee



Corporate Social Responsibility Committee



Empowered Committee

C - Chairman M - Member

Corporate Information

Board of Directors

Chairman Emeritus

Maresh Swarup Agarwal
(Upto 31st May, 2021)

Managing Director

Manoj Agarwal
Chairman Cum Managing Director
(w.e.f 1st June, 2021)

Whole Time Directors

Sunil Mehta
Shashank Agarwal

Non Executive Woman Director

Usha Agarwal

Independent Directors

Prem Singh Khamesra
Subodh Kumar
Ram Gopal Bagla
Akshay Kumar Gupta
Dharam Bir Prasad

Company Secretary & Compliance Officer

Ankur Srivastava

CFO

Vishal Jain

Statutory Auditors

Rajiv Mehrotra & Associates
Chartered Accountants
Kanpur

Secretarial Auditors

Adesh Tandon & Associates
Company Secretaries
Kanpur

Bankers

State Bank of India
HDFC Bank
Axis Bank

Registrar and Share Transfer Agent

Skyline Financial Services Pvt. Ltd.
D-153/A, 1st Floor,
Okhla Industrial Area, Phase -I,
New Delhi-110 020

Registered Office

D-19-20, Panki Industrial Area,
Kanpur-208 022

Manufacturing Units

1. D-19-20, Panki Industrial Area,
Kanpur-208 022
2. A-1/A-2, Udyog Kunj, Site V,
Kanpur-208 022
3. Gajner Road, Raipur, Fatehpur
Roshnai Dist., Akbarpur, Kanpur
Dehat- 209121

Corporate Identification Number

L25209UP1971PLC003444

Website

www.kanplas.com





Statutory Reports



Notice

NOTICE is hereby given that 50th ANNUAL GENERAL MEETING (AGM) of Members of M/S KANPUR PLASTIPACK LIMITED will be held on Friday, the 3rd day of September, 2021 at 12:00 Noon through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose the Registered Office of the Company situated at D-19-20, Panki Industrial Area, Kanpur-208022 shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made thereat, to transact the following businesses:

ORDINARY BUSINESS:

Item No. 1 – Adoption of Financial Statements

To receive, consider and adopt Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Reports of Auditors and Directors thereon;

Item No. 2 – Declaration of Dividend

To consider declaration of Final Dividend for the financial year 2020-21;

Item No. 3 – Appointment of Shri Sunil Mehta as Director who retires by rotation

To appoint a Director in place of Shri Sunil Mehta (DIN: 03422673), who retires by rotation and being eligible, offers himself for re-appointment;

SPECIAL BUSINESS:

Item No. 4 Increase the Authorised Share Capital of the Company

To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 13, 61 and 64 of Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) the existing Authorised Share Capital of the Company of ₹ 22,00,00,000/- (Rupees Twenty Two Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of ₹ 10/- (Rupees Ten) each and 20,00,000 (Twenty Lacs) Preference Shares of ₹ 10/- (Rupees Ten) each be and is hereby increased to ₹ 32,00,00,000 (Rupees

Thirty Two Crores Only) divided into 3,00,00,000 (Three Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each and 20,00,000 (Twenty Lacs) Preference shares of ₹ 10/- (Rupees Ten Only) each ranking pari passu in all respect with the existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

V. The Authorized Share Capital of the Company is ₹ 32,00,00,000 (Rupees Thirty Two Crores Only) divided into 3,00,00,000 (Three Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each and 20,00,000 (Twenty Lacs) Preference Shares of ₹ 10/- (Rupees Ten Only) each with power to increase or reduce the capital and to divide and subdivide the shares into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions, as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013, or as provided by the Articles of Association of the Company for the time being.

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include a Committee thereof authorized for the purpose) be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

Item No. 5 Bonus Issue

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT:

- pursuant to section 63 of the Companies Act, 2013 (“the Act”) and the applicable provisions of the Companies Act, 2013 (including any modification or re-enactment thereof) and Article 15 of the Articles of Association of the Company

and in accordance with the provisions under Chapter XI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as in force, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") and the Listing Agreements entered into by the company with the Stock Exchanges where the Company's shares are listed and subject to all applicable laws/rules/regulations/guidelines, if any prescribed by SEBI or Reserve Bank of India (RBI) under the Foreign Exchange Management Act, 1999 (FEMA) (including any amendment, modification or re-enactment thereof) and subject to any necessary approval(s), consents, permissions and sanctions as may be necessary from any authority and upon recommendation of the Board of Directors made at their meeting held on 28th July, 2021 (hereinafter referred to as "the Board", which term shall also include the existing Committee of Directors thereof), the consent of the members of the Company be and is hereby accorded for capitalization of a sum not exceeding ₹ 7,15,62,820/- (Rupees Seven Crores Fifteen Lacs Sixty Two Thousand Eight Hundred and Twenty Only) out of the sum standing to the credit of Company's General Reserve Account/Securities Premium Account or such other accounts as are permissible to be capitalized and utilized for the purpose to issue Bonus Shares of ₹ 10/- (Rupees Ten) each, credited as fully paid up Equity shares to the holders whose names appear in the Register of Members/Beneficial Owners of the Company as on 26th August, 2021, being the 'Record Date' determined by the Board for this purpose, in the proportion of 1(One) Bonus share for every existing 2(Two) fully paid up Equity shares of ₹ 10/- (Rupees Ten) each (Ratio 1:2) and that the said amount be transferred to the Share Capital Account and that the new Bonus Shares so issued and allotted shall be treated for all purposes as an increase of the nominal amount of the equity capital of the Company held by each such member and not as income."

- b) the Bonus Shares so allotted shall be subject to such terms and conditions as contained in the Memorandum and Articles of Association of the Company and shall in all respect rank *pari passu* with the existing fully paid-up Equity shares of the Company, with a right, to participate in dividend in full that may be declared after the date of allotment of these Equity shares as the Board may determine."
- c) the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants within the stipulated time as may be allowed by the appropriate authorities and in the case of Members who hold Equity shares in physical form, the share certificates in respect of the Bonus Shares shall be dispatched within such time as may be prescribed."

- d) the Board be and is hereby authorized to take necessary steps for listing/trading of the Bonus Shares so allotted on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Listing Agreements with the Stock Exchanges concerned, the Regulations and other applicable laws."
- e) Bonus shares shall be allotted to the nearest number and no fraction share arising out of the issue and allotment of the Bonus Shares shall be allotted by the Company;"
- f) for the purpose of giving effect to this resolution and for removal of any doubts or difficulties, the Board and the Company Secretary of the Company be and are hereby jointly and/ or severally authorized to do, perform and execute all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, expedient, usual or proper and to settle any question or doubts that may arise in this regard at any stage including to take necessary steps for listing of such Bonus Shares on the stock exchanges where the ordinary shares of the Company are listed and as the Board in its absolute discretion may think fit and its decision shall be final and binding on all members and other interested persons and to do all acts connected herewith or incidental hereto."

Item no. 6 Adoption of New Set of Article of Associations

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 5 and 14 of Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association of the Company submitted to this meeting, be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board and the Company Secretary of the Company be and are hereby jointly and / or severally authorized to do such acts, deeds and things as they may, in their absolute discretion, deem necessary and expedient to settle all questions, difficulties or doubts arising at any stage in this regard without requiring the Board to secure any further consent or approval from the members of the Company and intended that they shall be deemed to have given their approval expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item no. 7 Re-appointment of Shri Shashank Agarwal as Deputy Managing Director

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Shashank Agarwal (DIN:02790029) be and is hereby re-appointed as the Deputy Managing Director of the Company for a further period of 3 year from 1st September, 2021 to 31st August, 2024, as recommended by the Nomination and Remuneration Committee on the following Terms and Conditions:

- I. **Remuneration :** ₹4,00,000/- – ₹30,000/- -- ₹ 4,60,000/- per month.
- II. **Self Development Allowance :** ₹20,000/- per month.
- III. **Commission :** 3% of Net Profits of the Company (payable annually).
- IV. **Perquisites :** Perquisites shall be allowed in addition to salary as under. However these shall be restricted to an amount equal to the annual salary, subject to an overall ceiling as mentioned hereinafter:-
 - i. House Rent Allowance shall be 30% of salary. The Company shall provide such furniture and furnishing as may be required by the Deputy Managing Director. Further the expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.
 - ii. Reimbursement of actual hospitalization medical expenses incurred for self and family in India and/or abroad including hospitalization, subject to a ceiling of one month's salary in a year or three months' salary over a period of 3 years.
 - iii. Leave Travel Concession for self and family once in a year to any place in India or abroad subject to ceiling of one month's salary.
 - iv. Fees of club subject to maximum of two clubs. No admission and life membership fee will be paid.
 - v. Personal Accident Insurance of an amount, the annual premium of which shall not exceed ₹30,000/-
 - vi. Company's contribution towards Provident Fund as per the rules of the Company but not exceeding limits as prescribed under the Government regulations from time to time.

- vii. Company's contribution towards Superannuation Fund as per the rules of the Company but it shall not together with the Company's contribution to Provident Fund exceed 25% of the salary. Contribution to Provident Fund and Superannuation Fund not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
- viii. Gratuity as per the rules of the Company but shall not exceed half month's salary for each completed year of service.
- ix. Encashment of leave at the end of tenure of service will not be included in the computation of the ceiling on perquisites.
- x. He will not be entitled to any sitting fees for attending the meeting of the Board of Directors or Committees thereof.
- xi. He will be entitled to free use of Company's Car with driver for official as well as for personal purpose.
- xii. The Company shall provide him mobile phone and telephone and other communication facilities at residence and these further will not be considered as perquisites.

"RESOLVED FURTHER THAT in the event of overall managerial remuneration exceeding 11% of the Net Profit in any financial year, the commission / performance incentive payable to all Whole Time Directors shall be reduced proportionately in order to remain within the limits as prescribed under Companies Act, 2013."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year the remuneration payable to Shri Shashank Agarwal by way of salary, allowances, perquisites and commission shall not exceed the maximum limits as prescribed under proviso to Table A of Section II (Part II) of Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT Shri Manoj Agarwal (DIN: 00474146), Chairman Cum Managing Director and Shri Ankur Srivastava (Membership no. F8537), Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds and things as may deemed necessary, expedient and desirable to give effect to the above resolution."

Item no. 8 Change in the terms of appointment of Shri Sunil Mehta, Executive Director

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or

re-enactment thereof for the time being in force), the fixed performance incentive payable to Shri Sunil Mehta (DIN:03422673), Executive Director be and is hereby increased from ₹5 Lacs to ₹10 Lacs w.e.f. the financial year 2020-21 for the remaining term of his tenure till 31st August, 2024 other terms of appointment of Shri Sunil Mehta as approved by the Shareholders in their meeting held on 12/09/2019 will remain the same for the remaining period of his tenure."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the remuneration payable to Shri Sunil Mehta by way of salary, allowances and perquisites, shall not exceed the maximum limit as prescribed under schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT Shri Manoj Agarwal (DIN: 00474146), Chairman Cum Managing Director and Shri Ankur Srivastava (Membership no. F8537), Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds and things as may deemed necessary, expedient and desirable to give effect to the above resolution."

Item no. 9 Grant of Honorarium to retiring Chairman Emeritus of the Company Shri Mahesh Swarup Agarwal

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 188(1) (f) read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), a Monthly Honorarium of ₹ 1,50,000/- (Rupees One Lacs Fifty Thousand only) to Shri Mahesh Swarup Agarwal be and is hereby approved w.e.f. 01st June, 2021."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 188(1)(f) read with rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), on the occasion of Golden Jubilee of the Company an amount of ₹ 50,00,000/- (Rupees Fifty Lacs Only) be given to Shri Mahesh Swarup Agarwal as a token of gesture, love and appreciation."

Item no. 10 Change in the terms of appointment of Shri Manoj Agarwal, Chairman Cum Managing Director

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable

provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the terms of appointment of Shri Manoj Agarwal, Chairman Cum Managing Director be changed w.e.f. 01st September, 2021 for the remaining period of his tenure till 31st August, 2023 as recommended by the Nomination and Remuneration Committee:-

(The terms of appointment as approved by the Shareholders in their meeting held on 03/09/2020 as amended from 01/09/2021)

- I. **Remuneration :** ₹ 5,20,000/- – ₹ 40,000/- -- ₹6,00,000/- per month.
- II. **Self Development Allowance :** ₹ 30,000/- per month.
- III. **Commission :** 3% of Net Profits of the Company payable annually.
- IV. **Perquisites :** Perquisites shall be allowed in addition to salary as under. However, these shall be restricted to an amount equal to the annual salary, subject to an overall ceiling as mentioned hereinafter:-
 - i) The Company shall provide him unfurnished accommodation and in lieu of the same company shall deduct seven and half percent of Basic salary from the monthly salary payable to him. The Company shall also provide such furniture and furnishing as may be required by the Chairman Cum Managing Director. Further, the expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962.
 - ii) Reimbursement of actual medical expenses incurred for self and family in India and / or abroad including hospitalization, subject to a ceiling of one month's salary in a year or three months' salary over a period of 3 years.
 - iii) Leave Travel Concession for self and family once in a year to any place in India or abroad subject to ceiling of one month's salary.
 - iv) Fees of club subject to maximum of two clubs. No admission and life membership fee will be paid.
 - v) Personal Accident Insurance of an amount, the annual premium of which shall not exceed ₹30,000/-
 - vi) Gratuity as per the rules of the Company but shall not exceed half month's salary for each completed year of service.
 - vii) Encashment of leave at the end of tenure of service will not be included in the computation of the ceiling on perquisites.
 - viii) He will not be entitled to any sitting fees for attending the meeting of the Board of Directors or Committees thereof.

- ix) He will be entitled to free use of Company's Car with driver for official as well as for personal purpose.
- x) The Company shall provide him mobile phone and telephone and other communication facilities at residence and these further will not be considered as perquisites.

"RESOLVED FURTHER THAT in the event of overall managerial remuneration exceeding 11% of the Net Profit in any financial year, the commission payable to all Whole Time Directors shall be reduced proportionately in order to remain within the limits as prescribed under Companies Act, 2013."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year the remuneration payable to Shri Manoj Agarwal by way of salary, allowances, perquisites and commission shall not exceed the maximum limits as prescribed under proviso to Table A of section II (Part II) of Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT Shri Shashank Agarwal, Deputy Managing Director (DIN: 02790029) and Shri Ankur Srivastava, Company Secretary of the Company (Membership No. F8537) be and are hereby jointly and / or severally authorised to sign, seal, execute and deliver all necessary intimation and file necessary forms to the Registrar of Companies and to do all such acts, deeds and things as may deemed necessary, expedient and desirable to give effect to the above resolution."

Item no. 11 To grant annual Honorarium to all Independent Directors of the Company

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the approval of shareholders at ensuing Annual General Meeting an Annual Honorarium of ₹1,00,000 (Rupees One Lacs Only) be given to each Independent Director of the Company w.e.f. the financial year 2020-21."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the honorarium

payable to the Independent Directors shall not exceed the maximum limit as prescribed under schedule V of the Companies Act, 2013."

Item no. 12 To approve and ratify the re-appointment of Shri Akshay Kumar Gupta, Non Executive Independent Director (DIN: 00004908):

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149(6) read with Section 149(10) 150, 152 read with Schedule IV, other applicable provisions of the Companies Act, 2013 together with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") and other applicable regulations of Listing Regulations, as amended from time to time, including any statutory modifications(s) or re-enactment(s) thereof for the time being in force, consent of the members be and is hereby accorded for the approval and ratification of the re-appointment of Shri Akshay Kumar Gupta (DIN: 00004908), for a further period of 5 consecutive years as Independent Director w.e.f. 01/04/2021 to 31/03/2026 whose office shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Resolution passed by the Board of Directors dated 10/02/2021 for the re-appointment of Shri Akshay Kumar Gupta (DIN: 00004908) for a further period of 5 consecutive years as Independent Director w.e.f. 01/04/2021 to 31/03/2026 be and is hereby ratified."

"RESOLVED FURTHER THAT Shri Manoj Agarwal (DIN: 00474146), Chairman Cum Managing Director and / or Shri Ankur Srivastava (Membership no. F8537), Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds and things as may deemed necessary, expedient and desirable to give effect to the above resolution."

By order of the Board of Directors
For **KANPUR PLASTIPACK LTD.**

Place : Kanpur
Date : 28th July, 2021

ANKUR SRIVASTAVA
COMPANY SECRETARY

Notes :

- In view of severe outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), and Securities and Exchange Board of India (SEBI) have permitted the Companies to conduct their Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2021.
- In view of MCA General Circular No. 02/2021 dated 13th January, 2021 read with General Circular No. 14/2020 dated 8th April, 2020 and Circular no. 20/2020 dated 5th May, 2020 and Circular of SEBI dated 12th May, 2020 and other applicable circulars issued by the SEBI and MCA in this regard, the 50th Annual General Meeting (AGM) will be conducted through Video Conferencing or any other Audio Visual Means, as permitted. Hence, physical attendance of the Members to the AGM venue is not required and the members can attend and participate in the ensuing AGM through VC/OAVM.
- As physical presence of members is dispensed with, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Hence, proxy form and attendance slip are not annexed herewith. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to adesh.tandon11@gmail.com with a copy marked to evoting@nsdl.co.in.
- In compliance with the above Circulars of MCA and SEBI, the Annual Report 2020-21, the Notice of the 50th AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).
- Members may also note that the Notice of the 50th AGM and the Annual Report 2020-21 will also be available on the Company's website, www.kanplas.com and website of the Stock Exchanges.
- A statement pursuant to section 102(1) of the Companies Act, 2013 relating to the special businesses to be transacted at the Annual General Meeting is annexed hereto.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 27th August, 2021 to 3rd September, 2021 (both days inclusive). The entitlement to dividend on shares, if declared, will be determined on the basis of names registered in the Register of Members of the Company after giving effect to the valid share transfers / transmission / transposition in physical form lodged with the Company on or before 26th August, 2021 and the beneficial owners as per the Beneficiary List at the close of the business hours on 26th August, 2021 as provided by NSDL and CDSL.
- The payment of Dividend shall be subject to deduction of Tax at Source as per applicable Income Tax Act and Rules.
- The Record date for the purpose of Bonus Shares shall be 26th August, 2021. The entitlement of Bonus Shares, if declared, will be determined on the basis of names registered in the Register of Members of the Company after giving effect to the valid share transfers / transmission / transposition in physical form lodged with the Company on or before 26th August, 2021 and the beneficial owners as per the Beneficiary List at the close of the business hours on 26th August, 2021 as provided by NSDL and CDSL.
- Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) and Bank details by every shareholder, accordingly, shareholders are requested to please update PAN and Bank details to their Depository Participant in case of Demat holding. Members holding shares in physical form may submit the Pan and Bank details to the Company or the Registrar.
- The members are hereby informed that the Company has transferred the amount of unpaid dividend for the year 2012-13, which remained unpaid over a period of 7 years, to the Investor Education and Protection Fund (IEPF) constituted under Section 125 of the Companies Act, 2013. It is pertinent to mention that no claim of investors shall lie against IEPF. The details of unpaid dividend are as follows :-

S. No.	Dividend Year	Unpaid Balance as on 31/03/2021 (In ₹)
1.	2013-14	6,41,354.40
2.	2014-15	6,93,616.80
3.	2015-16 (Interim)	7,27,772.40
4.	2015-16	3,48,471.00
5.	2016-17	14,83,373.40
6.	2017-18	5,26,336.20
7.	2018-19	5,18,256.00
8.	2019-20	1,71,625.60

Investors are advised to send all un-encashed dividend warrants pertaining to the years shown above to the Company for revalidation. It is further informed that

- unclaimed / unpaid dividend pertaining to the Financial Year 2013-14 will become due for transfer to Investor Education and Protection Fund (IEPF) on 16.10.2021.
13. Pursuant to the provisions of Section 124(6) read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), 'Equity Shares', on which Dividend has not been claimed for a continuous period of 7 years, will be transferred to Investor Education and Protection Fund (IEPF) Suspense Account constituted under Section 125 of the Companies Act, 2013. It is pertinent to mention that no claim shall lie against the Company, though Shareholders have the right to claim the underlying shares from IEPF Suspense Account in the manner prescribed in the IEPF Rules.
 14. Notices have been served to the individual shareholders whose shares are liable to be transferred to IEPF Suspense Account. The underlying shares will be due to be transferred to the IEPF Suspense Account in October, 2021. Therefore, shareholders are requested to please claim their unpaid dividend for earlier years at the earliest.
 15. Members who have multiple folios with identical order of names are requested to intimate to the Company those folios to enable the Company to consolidate all shareholdings into one folio.
 16. Members having any query(ies) relating to this Annual Report are requested to send their questions to Registered Office of the Company at least 7 days before the date scheduled for Annual General Meeting.
 17. SEBI has amended Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 and mandated that transfer of securities would be carried out in dematerialized form only except in case of transmission / transposition of securities.
 18. In case of physical transmission of shares, copy of PAN Card of the transferee is mandatory.
 19. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialisation, which include easy liquidity, since trading is permitted in dematerialised form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
 20. Investors holding shares in physical form are advised to opt for Electronic Clearing System (ECS) to avail fast and safe remittance of dividend. A photocopy of a leaf of your Cheque book bearing your Account Number may also be sent along with mandate.
 21. Electronic copy of the Annual Report is being sent to all Members whose email ID is registered with the Company / Depository Participants (DP) for communication purposes. Members who have not got their email id registered with the Company are requested to inform your email id to the Company or its RTA in case of physical holding and in case of demat holding update your email id with the depository participant. Investors may also download the Annual Report of the Company from the website of the Company or website of Stock Exchange as well.
 22. Members are also requested to notify any changes in their email ID or Bank Mandates or address to the Company and always quote their Folio Number or DP ID and Client ID Numbers in all correspondence with the Company. In respect of holding in electronic form, Members are requested to notify any change of email ID or Bank mandates or address to their Depository Participants.
 23. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
 24. Members are requested to register / update their e mail id.
 25. All material documents are open for inspection by the members on all working days at the Registered Office of the Company till the conclusion of the Annual General Meeting.
 26. The relevant details pursuant to Regulations 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director(s) seeking appointment / re-appointment at this AGM are provided in the Corporate Governance Report forming part of the Annual Report and Explanatory Statements of the notice as the case may be.
 27. Since the AGM will be held through VC/ OAVM Facility, the Route Map is not annexed with this Notice.

DIVIDEND RELATED INFORMATION

28. Subject to approval of the Members at the AGM, the dividend will be paid to the Members whose names appear on the Company's Register of Members as on the Record Date, and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

29. Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts will be despatched to the registered address of the shareholders who have not updated their bank account.
30. Shareholders are requested to register / update their complete bank details: (a) with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialised mode by submitting the requisite documents, and (b) with the Company by emailing at secretary@kanplas.com or grievances@skylinerta.com, if shares are held in physical mode, by submitting (i) scanned copy of the signed request letter which shall contain shareholder's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details), (ii) self-attested copy of the PAN card and (iii) cancelled cheque leaf. In case shares are held in dematerialised mode, details in a form prescribed by your Depository Participant may also be required to be furnished.
31. Pursuant to the requirement of Income Tax Act, 1961, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. However, **no tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed ₹ 5,000/-** The withholding tax rate would vary depending on the residential status of the shareholder and documents registered with the Company.

A RESIDENT SHAREHOLDERS:

A.1 Tax Deductible at Source for Resident Shareholders

Sr. No	Particulars	Withholding tax rate	Documents required (if any)
1	Valid PAN updated in the Company's Register of Members	10%	No document required (if no exemption is sought)
2	No PAN/Valid PAN not updated in the Company's Register of Members	20%	No document required (if no exemption is sought)
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority

A.2 No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents as mentioned in column no.4 of the below table with the Company / RTA

Sr. No	Particulars	Withholding tax rate	Documents required (if any)
1	Submission of form 15G/15H	NIL	Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions.
2	Shareholders to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc.	NIL	Documentary evidence that the said provisions are not applicable.
3	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds.	NIL	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961
4	Category I and II Alternative Investment Fund	NIL	SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961
5	Recognised provident funds / Approved superannuation fund / Approved gratuity fund	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension Scheme	NIL	No TDS as per section 197A (1E) of Income Tax Act, 1961

B NON-RESIDENT SHAREHOLDERS:

Withholding tax on dividend payment to non-resident shareholders if the non-resident shareholders submit and register following document as mentioned in column no.4 of the below table with the Company / RTA

Sr. No	Particulars	Withholding tax rate	Documents required (if any)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FPI registration number / certificate.
2	Other Non-resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ol style="list-style-type: none"> 1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received 2. PAN 3. Form 10F filled & duly signed 4. Self-declaration for non-existence of permanent establishment/ fixed base in India <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company)</p>
3	Indian Branch of a Foreign Bank	Nil	<p>Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority.</p> <p>Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank</p>
4	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority

32. Shareholders are requested to please provide the abovementioned documents upto 2nd September, 2021 in this regard. No communication would be accepted from members after 2nd September, 2021 regarding the tax withholding matters.

33. In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund.

EVOTING AND VIDEO CONFERENCING:

34. The Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not

include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

35. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

36. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs

dated April 08, 2020, April 13, 2020, May 05, 2020 and 13th January, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

37. The facility for voting through electronic voting system shall also be made available at the meeting and members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right at the meeting.
38. The recorded transcript of the forthcoming AGM, shall also be made available on the website of the Company www.kanplas.com in the Investor Relations Section, as soon as possible after the Meeting is over.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on 31st August, 2021 at 9:00 AM and ends on 2nd September, 2021 at 5:00 PM. The remote e-voting module shall be disabled by NSDL for voting thereafter.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical

- a) For Members who hold shares in demat account with NSDL.

- b) For Members who hold shares in demat account with CDSL.

- c) For Members holding shares in Physical Form.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID is:

8 Character DP ID followed by 8 Digit Client ID

For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.

16 Digit Beneficiary ID

For example if your Beneficiary ID is 12***** then your user ID is 12*****.

EVEN Number followed by Folio Number registered with the company

For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial

password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf

file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below **for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) **Click on "Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorized to vote, to the Scrutiniser by e-mail to adesh.tandon11@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to NSDL at evoting@nsdl.co.in

Process for those shareholders whose email IDs are not registered with the depositories for procuring user ID and password and registration of e mail IDs for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretary@kanplas.com or grievances@skylinerta.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretary@kanplas.com or grievances@skylinerta.com.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through laptops for better experience.
3. Further members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at secretary@kanplas.com 2 days prior to the date of AGM.

6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretary@kanplas.com. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

ITEM NO. 4:-

The present authorised capital of the Company is ₹ 22,00,00,000 (Twenty Two Crores) divided into 2,00,00,000 (Two Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each and 20,00,000 (Rupees Forty Lacs) Preference shares of ₹ 10/- (Rupees Ten Only) each.

As per the provisions of Sections 13 of the Companies Act, 2013, a Company can alter the Share Capital Clause of its Memorandum of Association with the consent of Shareholders. The Company is proposing, subject to shareholders' approval, an increase in the authorised Share Capital to ₹ 32,00,00,000/- (Rupees Thirty Two Crores only) divided in to 3,00,00,000 (Three Crore) Equity Shares of ₹ 10/- (Rupees Ten only) each and 20,00,000 (Twenty Lacs) Preference Shares of ₹ 10/- (Rupees Ten only) each.

A separate proposal for Bonus Issue has been submitted for the approval of Shareholders under item no. 5 of this Notice. This will increase the paid up share capital of the Company from the existing limits of the Authorised Share Capital. The proposed increase in the Authorised Share Capital will keep a sufficient margin in the equity capital component. Therefore the proposed increase in the Authorised Share Capital is proposed. Pursuant to the provisions of Sections 64 of the Companies Act, 2013, increase in the authorized share capital of the company and consequent amendments in the capital clause of the Memorandum of the company requires approval of the members. Approval of the members is, therefore, sought in terms of the said sections. The amendment shall be effective upon the registration of the resolution with the Registrar of Companies.

None of the Directors / key managerial persons of the Company or their relatives is interested, financially or otherwise, in the aforesaid resolution

The Board of Directors recommends the Resolution as set out in the Item No. 4 of the Notice for the approval of the members by way of Ordinary Resolution.

ITEM NO. 5:-

Your Company has completed 50 years of its existence and is celebrating its Golden Jubilee this year. To mark the occasion

and to reward the shareholders, the Board of Directors of your Company (The Board) has at their meeting held on 28th July, 2021 recommended issue of bonus shares in the ratio of 1:2 i.e. one new fully paid up equity share of ₹ 10/- each for every Two existing fully paid up equity share of ₹ 10/- each, to the eligible members of the Company as on the Record Date as determined by the Board for this purpose.

The capitalization of reserves shall be to the extent of ₹ 7,15,62,820/- (Rupees Seven Crores Fifteen Lacs Sixty Two Thousand Eight Hundred and Twenty Only) in lieu of issue of bonus shares of ₹10/- each in the proportion of 1:2 [i.e. one fully paid bonus share of face value of ₹ 10/- each for Two existing fully paid ordinary share of ₹ 10/- each] held by the members as on the Record Date.

The Company satisfied the conditions of and requirements for, issue of Bonus Shares contained in Chapter XI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as presently in force.

Shri Manoj Agarwal, Shri Shashank Agarwal and Smt. Usha Agarwal and their relatives can be considered as interested to the extent of Bonus Shares proposed to be allotted to them on the basis of existing shareholding. The above persons may also be considered interested in respect of shareholding of M/s MSA Investment and Trading Company Private Limited, M/s KPL Packaging Private Limited and M/s KSM Exports Limited having control / shareholding in these companies.

The Board of Directors recommends the Resolution as set out in the Item No. 5 of the Notice for the approval of the members by way of Ordinary Resolution.

ITEM NO. 6:-

The Company had adopted new set of Articles of Association based on the Companies Act, 2013 (existing Articles of Association AOA"). However, thereafter many of the requirements have then been dispense with and also as the Company has listed with National Stock Exchange (NSE) and as per the listing confirmations NSE directed us to include certain points in Articles of the Company. Therefore it is proposed to replace the existing regulations of the Articles of Association with the new set of regulations as new set of Articles of Association.

Consent of the shareholders by way of a Special Resolution is required in this regard. The entire set of proposed articles of association is available on the website of the Company.

The shareholders of the Company can also obtain a copy of the same from the Secretarial Department at the registered office of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Board of Directors recommends the Resolution as set out in the Item No. 6 of the Notice for the approval of the members by way of Special Resolution.

ITEM NO. 7:

Shri Shashank Agarwal aged about 33 years holds a B. Engg. (Hons.) degree in Manufacturing Engineering & Operation Management from the University of Nottingham, UK. He has also done a summer course on International Marketing from Harvard Business School. He was appointed as Director (Technical) of the Company w.e.f. 5th June, 2010. He has been instrumental in streamlining the company's operations with backward integration and diversification of products manufactured by the Company all these years. He has also contributed in improving the marketing strategies. Thus the company has established itself as a reliable and trust worthy exporter in the European, South and North American Countries.

He was re-appointed as Deputy Managing Director in the Annual General Meeting of the Shareholders held on 19th September, 2018 for a period of 3 years w.e.f. 1st September, 2018 to 31st August, 2021. The Board of Directors of the Company in their meeting held on 24th May, 2021 have recommended to re-appoint Shri Shashank Agarwal as Deputy Managing Director for the further period of 3 years from 1st September, 2021 to 31st August, 2024 on revised terms and conditions as recommended by the Nomination and Remuneration Committee.

Shri Shashank Agarwal holds 1090564 equity shares of the Company. He holds directorships in following Companies:

Other Companies Directorship:

- KSM Exports Limited
- KPL Packaging Pvt. Ltd.
- MSA Investment And Trading Company Pvt. Ltd.
- Indian Flexible Intermediate Bulk Container Association
- Merchants Chamber of Uttar Pradesh
- Kanplas Earning Solutions Pvt. Ltd.
- Valex Ventures Limited (U.K)

Shri Shashank Agarwal satisfies all the conditions as set out in Part-II of Schedule V and Section 196(3) of the Companies Act, 2013 for being eligible for re-appointment. He is not disqualified from being re-appointed as Director in terms of Section 164 of the Act. The above may be treated as a written memorandum setting out the terms of re-appointment of Shri Shashank Agarwal under Section 190 of the Act.

Memberships / Chairmanships of Board, Committees, shareholding and relationships amongst Directors, *inter-se*, as required under Regulation 36 of Listing Regulations, are provided in the Corporate Governance Report forming part of the Annual Report.

Shri Shashank Agarwal is being himself interested in resolution no. 7. Shri Manoj Agarwal and Smt Usha Agarwal being relatives of Shri Shashank Agarwal are interested in the resolution as set out in the Resolution No. 7. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board of Directors recommends the Resolution as set out in the Item No. 7 of the Notice for the approval of the members by way of Special Resolution.

ITEM NO. 8:

Pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Sunil Mehta was appointed as Executive Director for a period of 5 years w.e.f. 1st September, 2019 till 31st August, 2024 at the remuneration as recommended by the Nomination and Remuneration Committee of the Board.

Shri Sunil Mehta aged about 60 years is a B. Tech (Textile Technology) with over 30 years of experience in the Woven Sack Industry. He joined the Company in the year 2002 and has brought various improvements in the production & operations of the Company and helped immensely in the improvement of its performance. With his dedicated and able leadership the manufacturing operations of the Company have greatly improved which has resulted in achieving record production and turnover.

The Nomination and Remuneration Committee has recommended to increase the fixed performance incentive payable to Shri Sunil Mehta, Executive Director from ₹5 Lacs to ₹10 Lacs w.e.f. the financial year 2020-21 for the remaining term of his tenure till 31st August, 2024. All other terms of Shri Sunil Mehta as approved by the Shareholders in their meeting held on 12/09/2019 will remain the same for the remaining period of his tenure.

The approval of shareholders is required for change in the terms of appointment of Shri Sunil Mehta, Executive Director in terms of the applicable provisions of the Act. Broad particulars of the terms of re-appointment and remuneration payable to Shri Sunil Mehta as Executive Director as recommended by the Nomination and Remuneration Committee and mentioned in resolution no.8.

Shri Sunil Mehta holds does not hold any share of the Company. He holds directorships in following Companies:

Other Companies Directorship:

h. KSM Exports Limited

Shri Sunil Mehta satisfies all the conditions as set out in Part-II of Schedule V and Section 196(3) of the Companies Act, 2013 for being eligible for re-appointment. He is not disqualified from being re-appointed as Director in terms of Section 164 of

the Act. The above may be treated as a written memorandum setting out the terms of re-appointment of Shri Sunil Mehta under Section 190 of the Act.

Memberships / Chairmanships of Board, Committees, shareholding and relationships amongst Directors, inter-se, as required under Regulation 36 of Listing Regulations, are provided in the Corporate Governance Report forming part of the Annual Report.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Your Directors recommend passing of above resolutions as Special Resolution.

ITEM NO. 9:-

Shri Mahesh Swarup Agarwal (aged about 93 years) is one of the founders of your Company and during the last 50 years has guided the Company's operations successfully. The Company having started as an SSI unit has today established itself as a globally known Company in the industrial packaging sector. During these 50 years many hurdles were faced but under his able leadership and with the co-operation of management personnel and workforce, the Company has successfully overcome all those hurdles. His unstoppable zeal, foresightness and guidance enabled the Company to reach these phenomenal heights through all the ups and downs of the last 50 years. His guidance, advice and foresightness always proved beneficial to the Company and acted as one of the pillars to the growth of the Company.

Shri Mahesh Swarup Agarwal opted to relinquish his office of director w.e.f. 31st May, 2021. The Board of Directors at their meeting held on 24th May, 2021, have approved a monthly honorarium as a gesture against his life time guidance to the Company and a onetime retirement amount on the occasion of Golden Jubilee of the Company as a gesture of love and respect as recommended by the Nomination and Remuneration Committee. The above payments as set out at Resolution no. 9 to Shri Mahesh Swarup Agarwal are subject to the approval of the shareholders at the ensuing Annual General Meeting.

The Board recommends passing of the resolution mentioned at item no. 9 as Special Resolution.

None of the Directors, except Shri Mahesh Swarup Agarwal for himself, Shri Manoj Agarwal, Shri Shashank Agarwal, and Smt. Usha Agarwal being relatives are concerned or interested in the said resolution.

ITEM NO. 10:-

Pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Manoj Agarwal was re-appointed as the

Managing Director for a period of 3 years w.e.f. 1st September, 2020 at the remuneration as recommended by the Nomination and Remuneration Committee of the Board.

Shri Manoj Agarwal (aged about 66 years) a Management Graduate, has been guiding the Company's operations for over 40 years. Under his able leadership, the Company's operations have improved considerably from an annual turnover of about ₹100 Crores in the year 2009-10 to the present turnover which has reached to over ₹ 400 Crores. With his efforts there has been tremendous growth of the value added export products which is the back bone of the Company's operations.

Consequent to the retirement of Shri Mahesh Swarup Agarwal, Chairman Emeritus of the Company the Board of Directors in their meeting held on 24th May, 2021 have re-designated Shri Manoj Agarwal as Chairman Cum Managing Director w.e.f. 01st June, 2021. As recommended by the Nomination and Remuneration Committee of the Company, the Board of Directors have also changed the terms of appointment of Shri Manoj Agarwal for the remaining period of his tenure.

The approval of shareholders is required for the change in terms of appointment of Shri Manoj Agarwal. Broad particulars of the terms of re-appointment and remuneration payable to Shri Manoj Agarwal as Chairman Cum Managing Director are recommended by the Nomination and Remuneration Committee and mentioned in resolution no. 10.

Shri Manoj Agarwal holds 1356523 equity shares of the Company. He holds directorships in following Companies:

Other Companies Directorship:

1. KPL Packaging Pvt. Ltd.
2. MSA Investment & Trading Co. Pvt. Ltd.
3. KSM Exports Ltd.
4. The Plastics Export Promotion Council
5. Valex Ventures Limited (UK)

Shri Manoj Agarwal satisfies all the conditions as set out in Part-II of Schedule V and Section 196(3) of the Companies Act, 2013 for being eligible for re-appointment. He is not disqualified from being re-appointed as Director in terms of Section 164 of the Act. The above may be treated as a written memorandum setting out the terms of re-appointment of Shri Manoj Agarwal under Section 190 of the Act.

Memberships / Chairmanships of Board Committees, shareholding and relationships amongst Directors' inter-se as stipulated under Regulation 34 of Listing Regulations, are provided in the Corporate Governance Report forming part of the Annual Report.

Shri Mahesh Swarup Agarwal, Smt Usha Agarwal and Shri Shashank Agarwal being relatives and Shri Manoj Agarwal being himself may be deemed to be interested in the resolution set out at item No. 10. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company

/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

Your Directors recommend passing of above resolution as Special Resolution.

ITEM NO. 11

In view of the time devoted and valuable advice given by the Independent Directors to the Company from time to time, it is proposed to grant an Annual Honorarium of ₹1,00,000 (Rupees One Lacs) to each Independent Director of the Company in addition to the regular sitting fee to attend the meetings of the Board of Directors and committees thereof as a mark of gesture. Pursuant to the provisions of Section 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors in their meeting held on 24/05/2021 subject to the approval of shareholders, have approved the same to be effective from the financial year 2020-21, payable annually after its approval from the shareholders at the ensuing Annual General Meeting.

Shri Prem Singh Khamesra, Shri Akshay Kumar Gupta, Dr. Ram Gopal Bagla, Shri Subodh Kumar and Shri Dharam Bir Prasad may be considered as interest in the resolution as set out at resolution no. 11.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

Your Directors recommend passing of above resolutions as Special Resolution.

ITEM NO. 12

As per Regulation 25(2) read of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with Section 149(10) of the Companies Act, 2013 an Independent Director shall hold the office for a term upto 5 consecutive years on the Board of a Company and shall be eligible for re-appointment for a further period of 5 consecutive years on passing of a Special Resolution.

Shri Akshay Kumar Gupta (aged about 63 years) a Practicing Chartered Accountant with over 35 years of experience was appointed as Non Executive Independent Directors under section 149 and 152 of the Companies Act, 2013 together with Companies (Appointment and Qualification of Directors) Rules, 2014 read with the Listing Regulations, w.e.f. 15/09/2016 for a consecutive period of 5 years upto 31.03.2021. Considering the benefits of their vast expertise, knowledge and valuable advice received from both of them the Board of Directors on the recommendation of the Nomination and Remuneration Committee had re-appointed them for a consecutive period of 5 years w.e.f. 01/04/2021 to 31.03.2026 subject to the approval and ratification of members by way of Special Resolution.

The Company has received declarations from Shri Akshay Kumar Gupta that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and under Listing Regulations and he is not debarred from holding the office of Director pursuant to any SEBI order. He possess appropriate skills, experience and knowledge and in the opinion of the Board, he fulfills the conditions for their re-appointment as an Independent Director as specified in the Act and the Listing Regulations as amended.

Shri Akshay Kumar Gupta does not hold any share of the Company nor he holds directorships in any other Company.

Memberships / Chairmanships of Board Committees, shareholding and relationships amongst Directors' inter-se as stipulated under Regulation 34 of Listing Regulations, are provided in the Corporate Governance Report forming part of the Annual Report.

None of the Director is financially or otherwise concerned or interested in the resolution no. 12.

Your Directors recommend passing of above resolutions as Special Resolution.

By order of the Board of Directors
For **KANPUR PLASTIPACK LTD.**

Place: Kanpur
Date : 28th July, 2021

ANKUR SRIVASTAVA
COMPANY SECRETARY

OTHER GENERAL INFORMATION:

- i) The Company is mainly engaged in manufacturing and export of FIBCs (Flexible Intermediate Bulk Container) commonly known as Jumbo Bags, Woven Sacks, PP Fabrics and PP High Tenacity Multifilament Yarn (MFY). The turnover of the Company and its financial performance during last 3 years have been as under :

Year	₹ in Lacs		
	Sales & Other Income	Operating Profit	Net Profit after Tax
2020-21	45,916	6,249	3,021
2019-20	32,254	2,573	493
2018-19	33,411	3,784	1,620

- ii) The Export performances of the Company are ₹21,917 Lacs, ₹23,137 Lacs and ₹34,602 Lacs during 2018-19, 2019-20 and 2020-21, respectively.
- iii) The figures of previous year have been re-grouped / re-casted wherever found necessary.
- iv) There is no foreign investment or collaborators.
- v) Shri Mahesh Swarup Agarwal is the father of Shri Manoj Agarwal and grandfather of Shri Shashank Agarwal. Smt. Usha Agarwal is the wife of Shri Manoj Agarwal.
- vi) There is no pecuniary relationship with the Company of Shri Manoj Agarwal, Shri Shashank Agarwal except as employee & shareholder and Shri Sunil Mehta as employee.
- vii) The background and other details of Shri Manoj Agarwal, Shri Shashank Agarwal and Shri Sunil Mehta are provided in the Explanatory Statement of the Notice.

- viii) The past remuneration of the appointee Directors are given hereunder:

Sl No.	Name of Director	₹ in Lacs
		Past Remuneration per month
1	Shri Manoj Agarwal	₹5,20,000/-
2	Shri Shashank Agarwal	₹3,50,000/-
3	Shri Sunil Mehta	₹2,05,000/-

- ix) In the industry, it is a normal trend of providing remuneration to the Chief Executives about ₹75 Lacs to ₹1 Crores plus other perks and commission linked with the profits of the Company. With the exemplary efforts of Shri Manoj Agarwal, Shri Shashank Agarwal and Shri Sunil Mehta the performance of your Company has remarkably improved and their proposed remuneration does not exceed the industry norm.
- x) The Company has earned profits after tax to the tune of ₹3021 Lacs during the financial year ended 31/03/2021 and as such having a sound profitability which is expected to increase in future. The phrase "inadequate profits" is only indicative that whenever the salary payable to the managerial personnel exceeds the limits provided by section 197 of the Companies Act, 2013 and therefore, the provisions of section II of part II of Schedule V of the said act become applicable.

By order of the Board of Directors
For **KANPUR PLASTIPACK LTD.**

Place: Kanpur
Date : 28th July, 2021

ANKUR SRIVASTAVA
COMPANY SECRETARY

Board's Report

DEAR MEMBERS,

Your Directors are happy to report that your Company has completed Fifty years of service to the Industry and are pleased to present their 50th Annual Report together with Audited Financial Statements for the financial year ended 31st March, 2021.

FINANCIAL HIGHLIGHTS:

₹ in Lacs

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Sale of products	45164.38	31471.80	45164.38	31471.80
Other Income	751.86	781.78	751.86	781.78
Total Income	45916.24	32253.58	45916.24	32253.58
Profit Before Tax	4413.13	631.42	4413.13	631.42
Less: Current Tax	771.07	105.52	771.07	105.52
Less: Earlier year Tax Adjustment	12.50	12.26	12.50	12.26
Less: Deferred Tax	608.11	20.60	608.11	20.60
Net Profit After Tax	3021.45	493.04	3021.45	493.04
Balance profit from Last Years	9593.43	9410.66	9593.43	9410.66
Less: Appropriations:				
Other Comprehensive Incomes	43.23	(0.31)	43.23	(0.31)
Transfer to General Reserve	-	-	-	-
Final Dividend paid during the year	85.88	257.63	85.88	257.63
Tax on Dividend	-	52.95	-	52.95
Balance carried to Balance Sheet	12485.77	9593.43	12485.77	9593.43

REVIEW OF OPERATIONS AND OUTLOOK:

The year gone by has been remarkable in more ways than one. Your Company crossed major milestones in Turnover and Profits. Despite a year full of challenges, the company has given its best ever financial performance supported by a substantial increase in production. We continued our investments in capacity enhancement and the pandemic gave us opportunities in locating new customers in different geographical locations. We saw the long awaited first feeder of solar power coming into Unit 3 leading not only to cost savings but also helping in reducing the carbon footprint. On the other hand, we witnessed the onset of the second wave of Covid far more serious and far more devastating than anything we have seen in our lifetime.

The Operations of your Company had started within a week of the nationwide lockdown last year. It did take a couple of months to stabilise and soon with the dedicated efforts of our employees, your Company reached normalcy in operations. Remarkably, it was also a period which saw a robust global demand and we were well set to meet it having been an early starter.

“ Your Company crossed the landmark turnover of ₹ 459.16 Crores - an increase of about 42% over the year. ”

Financial Milestones:

It is a matter of satisfaction that your Company has achieved an all time high record in its turnover and profits. During the year 2020-21 your Company bounced back strongly. Your Company crossed the landmark turnover of ₹ 459.16 Crores, an increase of about 42 % over the previous year, an EBIDTA of ₹ 57.79 Crores which is an increase of about 181% over the previous year. Profit after tax showed a phenomenal rise to ₹ 30.21 Crores, an increase of about 513% over the previous year. It is heartening to note that the operational performance of the Company has improved in every sphere of production, exports and sales. Following are the highlights of the performance during the year under review:

Turnover increased by 42% to ₹ 459.16 Cr. against ₹ 322.53 Cr.

Export increased to ₹ 348.31 Cr. against ₹ 231.38 Cr. up by 51%.

Net Worth went up by 22%.

Profit Before Tax ₹ 44.13 Cr. as against ₹ 6.31 Cr.

Profit After Tax ₹ 30.21 Cr. as against ₹ 4.93 Cr.

Fixed assets addition ₹ 30.54 Cr.

Operational performance :

The company saw increased customer loyalty during the year arising out of the highly interactive and responsive approach taken by the management during the pandemic. We are glad to report that we added a total of 22 new customers and 5 new geographical regions during the year. We made additional capital investments of ₹ 30.54 Crores during the year to enhance our capacity. The full impact of this capacity addition will be seen in the current year. The operational team continued to perform exceptionally well to improve productivity and ensure timely commissioning of the new capital expenditure despite the challenges thrown up by the pandemic.

Volumes of Sales recorded during FY 2020-21:

Product	(in MT)	
	2020-21	2019-20
FIBC :	12,464	10,586
MFY :	3,992	3,390
Fabrics :	7,973	3,777
Bags :	308	286
Total	24737	18039

Solar Power

- The Roof top Solar plant generated 5.08 Lacs units of electricity during the year reducing the carbon footprint by about 8.30 Lacs Kg.
- Your Company entered into a 9.375 MW Power Purchase Agreements (PPA) to procure solar power through Group Captive Open Excess mode. The first part of this agreement was made operational at Unit 3 of the Company and is expected to be completed during this year.

Trading Activities:

- The Dealer Operated Polymer Warehouse activity of Indian Oil Corporation Limited also showing improved performance. We sold 23,503 MT in the current year as against 14,726 MT in the previous year showing an increase of about 60% over the previous year.

OUTLOOK:

With the state of art certified manufacturing facilities and enhanced capacities your Company is now better placed to serve the industrial bulk packaging needs of its customers.

Additions to capacity and some balancing equipment made during the year has allowed for increased efficiencies. Together with a focus on backward integration your Company continues to leverage on technological upgradation and innovation. The management lays emphasis on exports of value added products. Expanding the geographical reach of its export market is your Company's priority on the first hand while retention of our customer base is an important feature of our philosophy.

The Company's export order book remains robust with strong customer loyalty. We believe we are well placed to serve our Global customers in the coming years.

COVID-19 IMPACT:

During the year the entire world witnessed a most unexpected set of events due to the continuing waves of Covid 19 which has resulted in a huge loss of lives globally. Despite that the most inspiring and encouraging news was that the world stood up to the challenge and came back strongly. In recent months India has seen a resurgence of a strong second wave stretching the country's meagre health resources to the brim. The good news was that efforts to come up with a vaccine worked and the country launched a massive vaccination drive in the middle of January. With the new vaccine manufacturing and delivery plan laid out we are sure that the country would be well equipped to face the challenges ahead.

The COVID-19 outbreak changed the way we looked at the world a year back. The pandemic had a significant socio-economic impact on every business, altering the ways of interaction, service and life-both socially and in business. Your Company remained resilient and focused to deliver the best to our customers even when times were unfavourable for all.

Your Directors wish to place on record their appreciation to the Company's employees, suppliers, customers & Government authorities for their selfless efforts which helped your Company reach normalcy in operations within a few weeks of the lock-down. Your Company had taken all steps necessary for the safety and welfare of the employees and the management remains committed to keep that as a top priority. We held a series of awareness and training sessions through the year.

CREDIT RATING:

Bank loan facilities have been rated with BBB/Stable for Long Term and A3+ for Short Term Facilities by CRISIL.

SHARE CAPITAL:

As on 31.03.2021 your Company has total share capital of ₹ 14,31,25,640.00 divided into 1,43,12,564 equity shares of ₹ 10/- each.

SUBSIDIARY COMPANIES:

During the year the Company has got incorporated two subsidiary companies under the same line of business as narrated hereunder:

a) Bright Choice Ventures Private Limited:

This is the Wholly Owned Subsidiary of the Company and was incorporated on 02nd January, 2021. The Authorised and paid up Capital of the Company is ₹ 2 Crores. The Company is proposed to set up a separate unit at Kanpur Nagar. A MOU for a parcel of land has been entered into.

b) Kanplas Earning Solutions Private Limited:

This is a Wholly Owned Subsidiary of the Company and was incorporated on 21st May, 2021. The Authorised Capital of the Company is ₹ 50 lacs and the paid up capital is ₹ 25 Lacs.

These subsidiary companies were formed to set up different new units and to avail the tax and other benefits announced by the Government from time to time and leverage our resources.

There is no material subsidiary Company in terms of Regulation nos. 16(1)(C) and 24 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The Listing Regulations) and Section 129(3) of the Act, the consolidated financial statements have been prepared by the Company, as per the Indian Accounting Standards (Ind AS), and form part of this Annual Report. The Consolidated Financial Statements shall also be laid at the ensuing Annual General Meeting of the Company.

A statement providing details of performance and salient features of the financial statements of Subsidiary Companies, as per Section 129(3) of the Act, is provided as Annexure A to the consolidated financial statement.

DIVIDEND:

Your Directors have recommended a final dividend @ 18% i.e. ₹ 1.80 per Equity Share for the financial year 2020-21. Payment of dividend is subject to the approval of the shareholders.

Your Company has completed 50 years of its existence and is celebrating its Golden Jubilee this year. To mark the occasion and to reward the shareholders, your Directors have declared a Special Interim Dividend for the year 2021-22 @ 10% i.e. ₹ 1.00 per equity share.

DIRECTORS:

Shri Mahesh Swarup Agarwal, Chairman Emeritus one of the founder directors of the Company opted to relinquish office w.e.f. 31/05/2021. The Board of Directors placed on record their gratitude and appreciation for his dedicated guidance and support through 50 years of his life. His unstoppable zeal, foresightness and guidance enabled the Company to reach these phenomenal heights through all the ups and downs of last 50 years.

Shri Sunil Mehta is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. In view of the valuable service, guidance and support received from him, your Directors recommend his re-appointment.

Shri Akshay Kumar Gupta was re-appointed for a further period of 5 years as Independent Director w.e.f. 01/04/2021 to 31/03/2026 by the Board of Directors in its meeting held on 10/02/2021 which is subject to the approval of shareholders by way of Special Resolution and is placed before the shareholders for their approval.

The Board of Directors has re-appointed Shri Shashank Agarwal as Deputy Managing Director on fresh terms and conditions as recommended by the Nomination and Remuneration Committee, subject to the approval of shareholders at the ensuing Annual General Meeting, for a further period of 3 years w.e.f. 1st September 2021.

Consequent to the retirement of Shri Mahesh Swarup Agarwal, Chairman Emeritus the Board of Directors re-designated Shri Manoj Agarwal as the Chairman Cum Managing Director w.e.f. 01st June, 2021. The Board has also revised his terms of appointment w.e.f. 01st September, 2021 as recommended by the Nomination and Remuneration Committee, subject to the approval of shareholders at the ensuing Annual General Meeting, for the remaining period of his tenure till 31st August, 2023.

MEETINGS OF THE BOARD OF DIRECTORS:

During the year your Company has conducted 5 meetings of the Board of Directors. The details of the meeting of the Board & Committees thereof including attendance therein are given under the Corporate Governance Report.

Your Company has digitalised the Board process and adopted a paperless Board meetings platform.

KEY MANAGERIAL PERSONNEL:

Following are the Key Managerial Personnel of your Company:

Sl No.	Name of KMP	Designation
1	Shri Manoj Agarwal	Managing Director
2	Shri Ankur Srivastava	Company Secretary & Compliance Officer
3	Shri Vishal Jain	Chief Financial Officer

DECLARATION OF INDEPENDENT DIRECTORS:

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

DEPOSITS:

In view of Section 73 to 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 your Company did not accepted any deposit from the public.

CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI).

The report on Corporate Governance as stipulated under the Listing Regulations is annexed to the Annual Report as Annexure 'A' and Management Discussion and Analysis Report also forms part of this Report.

The Certificates certifying that :

- (i) the Company has complied with the requirements of Corporate Governance in terms of SEBI (LODR) Regulations, 2015; and
- (ii) none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ MCA or any such authority.

are attached and forms the part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo for the financial year 2020-21 are annexed as Annexure 'B' which forms part of this Report.

PARTICULARS OF EMPLOYEES:

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure 'C' which forms part of this Report.

AUDITORS:

I. STATUTORY AUDITORS AND THEIR REPORT

M/s Rajiv Mehrotra & Associates (FRN: 002253C), Chartered Accountants, were appointed as Statutory Auditors of your Company for a period of 5 years in the Annual General Meeting held on 15/09/2017 till the conclusion of 51st Annual General Meeting to be held in the year 2022. The requirement of ratification of the appointment of Statutory Auditors every year has been omitted by the Companies (Amendment) Act, 2017.

There was no qualification, reservation or adverse remark made by the Auditors in their report.

II. COST AUDITORS

As per Section 148 of the Companies Act, 2013 read with Companies (Auditor's Report) Order, 2015, the Company has maintained all the costing records, as required, and appointed M/s Rakesh Misra & Company, Cost Auditors to conduct the Cost Audit for the financial year 2020-21.

The cost audit report for the financial year 2020-21 will be filed within the stipulated time.

III. SECRETARIAL AUDITORS

The Company has appointed M/s Adesh Tandon & Associates, Practicing Company Secretaries as the Secretarial Auditors of the Company for the year 2020-21. The Secretarial Audit Report, as placed by the Auditor is annexed with this Report as Annexure 'D'. There was no qualification, reservation or adverse remark made by the Auditor in their respective report.

IV. INTERNAL AUDITORS

During the year under review M/s S N Saraogi & Associates, Chartered Accountants were the Internal Auditors of the Company. Their reports were placed before the Audit Committee of the Company from time to time.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has adequate system of internal control with reference to the financial statements. All the transactions are properly authorised, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks

and verifies the internal control and monitors them in accordance with policy adopted by the company. Company ensures proper and adequate systems and procedures commensurate with its size and nature of its business.

ANNUAL RETURN:

As per the requirement of Section 134(3)(a) read with Section 92(3) of the Companies Act, 2013, the Annual Return for the year 2020-21 has been placed on the website of the Company. The weblink of the same is <https://www.kanplas.com/en/corporate-governance>

LISTING:

The Equity Shares of the Company have also been listed with the National Stock Exchange w.e.f. 01st January, 2021. Now the shares of your Company are listed with both stock exchanges viz. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

We confirm that the Annual Listing Fees for the financial year 2021-22 have been paid within the stipulated time to both the Stock Exchanges.

CORPORATE SOCIAL RESPONSIBILITY:

In terms of Section 135 and Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 the Board of Directors of your Company has constituted a CSR Committee the details of which are given in Corporate Governance Report. CSR Committee of the Board has developed a CSR Policy which is enclosed as part of this report Annexure-'E'.

Annual report on CSR as required under rule 8(1) of the Companies (Corporate Social Responsibility) Rules, 2014 is annexed with this report as Annexure 'F'.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Your Company has not made any Loan or given any Guarantees and the details of investments are given under note 8 of the Financial Statements. However, the investments made does not exceeds the limits as prescribed under Section 186 of the Companies Act, 2013.

VIGIL MECHANISM (WHISTLE-BLOWER POLICY):

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulations 34 (3) and 53 (f) of SEBI (LODR) Regulations, 2015, a Vigil Mechanism for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company.

RISK MANAGEMENT:

The Company follows the risk management policy wherein the management keeps an eagle eye view on the markets, both domestic and foreign, related to the products, the Company manufactures and the raw materials required. The management also monitors the socio-economic changes worldwide and the changes in the currency fluctuation to minimise the risks.

The Board members are regularly informed about the potential risks, their assessment and minimisation procedures. The Board frames a plan for elimination / minimisation of the risk and further lays out the steps for implementing and monitoring of the risk management plan.

There are no risks which in the opinion of the Board are of the nature that can threaten the existence of the Company. However, the risks inter-se that are generally dealt in regular course of business and have to be taken care of are fluctuations in foreign exchange rates and raw material prices.

MATERIAL CHANGES AND COMMITMENTS:

No material changes or commitments which may affect the financial position of the Company has occurred between the end of the financial year of the Company and the date of this report.

INDIAN ACCOUNTING STANDARDS:

Your Company has adopted Indian Accounting Standards ('Ind- AS') with effect from 1st April, 2017 pursuant to Ministry of Corporate Affairs notification dated 16th February, 2015 notifying the Companies (Indian Accounting Standards) Rules, 2015.

BOARD EVALUATION:

The Board annually evaluates its performance as well as the performances of its Committees and of Directors individually.

For evaluating the performance of the Board as a whole, the Board reviews the periodical performances of the Company and the role of the Board towards achievement of the said performances and the future plans as set out from time to time.

The performance of the Whole Time Directors is evaluated by the Board by linking it directly with their devotion towards implementation and management of the growth parameters of the Company and the actual achievements of the Company.

The performance of the Non Executive / Independent Directors is evaluated on the basis of their contribution for adopting better corporate governance practices, transparency and disclosures in achieving the goal of the Company.

The performance of the various Committees of the Board is reviewed on the basis of the achievement of the work designated to the specific committee.

RELATED PARTY TRANSACTIONS:

During the year no contracts / arrangements were entered / renewed by the Company with related parties in terms of the provisions of Section 188(1) of the Companies Act, 2013.

All the transactions with the related parties entered during the year 2020-21 were in the ordinary course of business, on arm's length basis and approved by the Audit Committee. Further, no material related party transaction was entered into during the year under review.

Disclosure as required under Section 134(3)(h) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, in form AOC-2, is not applicable as all the contracts entered by the Company during the year are on arms length basis and there was no material contract or arrangement.

The policy to deal with the related party transactions is uploaded on the company's website. The weblink of the same is <http://kanplas.com/en/policies>

COMPANYS' POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. The Company has duly constituted the Nomination and Remuneration Committee of the Board and the committee *inter-alia* periodically evaluates:

1. The need for change in composition and size of the Board;
2. Recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance.
3. Recommend the policy for remuneration of Directors, KMPs & other senior level employees of the Company and review the same in accordance with the performance of the Company and the industry trend.

The policy to deal with the selection, appointment and remuneration of the Directors and Key Managerial Personnel and other senior level employees is annexed with this report as Annexure 'G'.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to clause (C) of sub-section 3 of Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that: -

- i) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the Annual Accounts of the Company on a going concern basis.
- v) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors express their sincere gratitude for the continued support and cooperation received from Bankers, other Government agencies and esteemed customers for their patronage and support during the year.

Your Directors also place on record their appreciation for the committed contribution of all the officers, staff and workmen for the consistent growth of your Company.

Your Directors also take this opportunity to place on record their gratitude to the Members for their confidence with the Company.

For and on behalf of the Board of Directors
Kanpur Plastipack Limited

(Shashank Agarwal)
 Deputy Managing Director

(Manoj Agarwal)
 Managing Director

Place: Kanpur
 Date: 24th May, 2021

ANNEXURE- 'A' TO THE DIRECTORS' REPORT

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Good corporate governance practices stem from the culture and mindset of the organisation. The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI). Your Company believes that transparency, accountability, fair dealing and ethical practices lead to conduct of business in efficient and effective manner. This

in turn creates wealth for all stakeholders on one hand and safeguards their interest on the other. Your Company has adopted paperless board meetings to enhance transparency and governance in the Board Processes.

2. BOARD OF DIRECTORS:

As on 31st March, 2021, the Board of Kanpur Plastipack Limited consists of three Whole Time Directors and Seven Non-Executive Directors, five of whom are Independent Directors, including one Non Independent Woman Director.

The composition of the Board and other relevant details relating to Directors during the Financial Year 2020-21 are as under:

Name of the Director	Category	No of Equity Shares Held	No. of Board Meetings Attended	Whether attended last AGM	No. of Other Directorship	No. of Other Committees Chairmanship	No. of Other Committees Membership
Shri Mahesh Swarup Agarwal*	Promoter –Non-Executive	2542401	5	Yes	3	-	-
Shri Manoj Agarwal	Promoter-Executive	1356523	5	Yes	5	-	-
Shri Shashank Agarwal	Promoter-Executive	1090564	5	Yes	7	-	-
Smt. Usha Agarwal	Promoter - Non-Executive	2009866	5	Yes	2	-	-
Shri Sunil Mehta	Executive	NIL	4	No	1	-	-
Shri Prem Singh Khamesra	Non-Executive & Independent	NIL	5	Yes	6	-	-
Shri Subodh Kumar	Non-Executive & Independent	NIL	5	Yes	-	-	-
Shri Ram Gopal Bagla	Non-Executive & Independent	NIL	5	Yes	-	-	-
Shri Akshay Kumar Gupta	Non-Executive & Independent	NIL	5	Yes	-	-	-
Shri Dharam Bir Prasad	Non-Executive & Independent	NIL	5	Yes	-	-	-

*Retired on. 31/05/2021.

A brief resume of the Directors, nature of their expertise in specific functional areas etc. are given in this Annual Report and is also available on the website of the Company.

Familiarisation Programmes for Board Members

The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarise with the Company's procedures

and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company including Finance, Sales, Marketing of the Company's business, overview of business operations of the Company and its subsidiaries, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory, regulatory changes and landmark judicial pronouncements

are regularly shared with the Directors of your Company. Time to time visits to various plant locations are organised for the Independent Directors to enable them to understand and get acquainted with the operations of the Company. However, due to the the Covid-19 pandemic such visits were not organized during the financial year 2020-21. Details of the familiarisation programmes for the Independent Directors are available on the website of the Company.

Appointment / Cessation:

Shri Mahesh Swarup Agarwal, Chairman Emeritus one of the founder directors of the Company opted to relinquish office w.e.f. 31/05/2021. The Board of Directors placed on record their gratitude and appreciation for his dedicated guidance and support through 50 years of his life. His unstoppable zeal, foresightness and guidance enabled the Company to reach these phenomenal heights through all the ups and downs of last 50 years.

Shri Sunil Mehta is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. In view of the valuable service, guidance and support received from him, your Directors recommend his re-appointment.

Shri Akshay Kumar Gupta was re-appointed for a further period of 5 years as Independent Directors w.e.f. 01/04/2021 to 31/03/2026 by board of Directors in its meeting held on 10/02/2021 which is subject to the approval and ratification of shareholders by way of Special Resolution and is placed before the shareholders for their approval.

The Board of Directors has re-appointed Shri Shashank Agarwal as Deputy Managing Director on fresh terms and conditions as recommended by the Nomination and Remuneration Committee, subject to the approval of shareholders at the ensuing Annual General Meeting, for a further period of 3 years w.e.f. 1st September 2021.

Consequent to the retirement of Shri Mahesh Swarup Agarwal, Chairman Emeritus the Board of Directors re-designated Shri Manoj Agarwal as the Chairman Cum Managing Director w.e.f. 01st June, 2021. The Board has also revised his terms of appointment as recommended by the Nomination and Remuneration Committee, subject to the approval of shareholders at the ensuing Annual General Meeting, for the remaining period of this tenure.

Details of Board Meetings held during the year 2020-21:

During the year, five meetings of the Board of Directors were held. The details of meeting are as under:-

Sl No.	Date of Board Meeting	Strength of Board	No. of Members Present
1	30 th May, 2020	10	10
2	29 th July, 2020	10	10
3	03 rd September, 2020	10	9
4	09 th November, 2020	10	10
5	10 th February, 2021	10	10

3 AUDIT COMMITTEE:

The Audit Committee was duly constituted comprising 4 Directors namely Dr. Ram Gopal Bagla as Chairman and Shri Akshay Kumar Gupta, Shri Dharam Bir Prasad and Shri Manoj Agarwal as members. The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Four Audit Committee meetings were held during the year 2020-21. The details of the meetings are as under:-

Sl No.	Date	Committee Strength	No. of Members Present
1.	30 th May, 2020	3	3
2.	29 th July, 2020	3	3
3.	09 th November, 2020	4	4
4.	10 th February, 2021	4	4

The terms of reference of the Audit Committee include review of Quarterly, Half-Yearly and Annual financial statements before submission to the Board for its approval, to review adequacy of internal control system, to apprise the Board on the impact of accounting policies, accounting standards and legislation, to hold periodical discussions with Statutory and Internal Auditors on the scope and content of the audit and to review the Company's financial and risk management policies. The members of the Committee are well versed in matters relating to finance, accounts, company law, other economic legislation and general management practices.

4. NOMINATION AND REMUNERATION COMMITTEE:

The Board has duly constituted the Nomination and Remuneration Committee consisting of four Non-Executive Directors. The constitution of the committee is Shri Prem Singh Khamesra as Chairman, Shri Subodh Kumar, Shri Dharam Bir Prasad and Shri Akshay Kumar Gupta as members. The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Committee, *inter-alia*, looks into the matters, in accordance with the remuneration policy of the Company, to identify persons who are qualified to become Directors and who may be appointed in senior management and to recommend to the Board their appointment and/

or removal, to carry out evaluation of every Director's performance, to formulate the criteria for determining qualifications, positive attributes and independence of a Director, and matters relating to the remuneration for the Directors and Key Managerial Personnel. Three Audit Committee meetings were held during the year 2020-21. The details of the meetings are as under:-

Sl No.	Date	Committee Strength	No. of Members Present
1.	27 th May, 2020	4	4
2.	29 th July, 2020	4	4
3.	09 th February, 2021	4	4

Name of Director	Remuneration	Perquisites	Commission/ performance Incentive	Sitting Fee	Stock Option	Others	Total
Mahesh Swarup Agarwal	-	-	-	1.08	-	41.88	42.95
Manoj Agarwal	75.35	-	109.26	-	-	-	184.61
Shashank Agarwal	58.23	-	109.26	-	-	-	167.49
Sunil Mehta	39.30	-	10.00	-	-	-	49.30
Usha Agarwal	-	-	-	1.17	-	-	1.17
Prem Singh Khamesra	-	-	-	1.25	-	-	1.25
Ram Gopal Bagla	-	-	-	1.27	-	-	1.27
Subodh Kumar	-	-	-	1.25	-	-	1.25
Akshay Kumar Gupta	-	-	-	1.20	-	-	1.20
Dharam Bir Prasad	-	-	-	1.15	-	-	1.15

The Board of Directors in their meeting held on 24th May, 2021 approved the payment of an annual honorarium of ₹ 1,00,000/- (Rupees One Lacs) to each independent director effective from the financial year 2020-21, subject to the approval of shareholders.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Stakeholders Relationship Committee was duly constituted under the Chairmanship of Dr. Ram Gopal Bagla. Shri Mahesh Swarup Agarwal, Shri Manoj Agarwal, Shri Prem Singh Khamesra and Smt. Usha Agarwal are the members. Shri Ankur Srivastava, Company Secretary of the Company is the Compliance Officer.

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. During the year four

Committee Meetings were held. Details of the meetings are as are as under:

Sl No.	Date	Committee Strength	No. of Members Present
1.	30 th May, 2020	5	5
2.	29 th July, 2020	5	5
3.	09 th November, 2020	5	5
4.	9 th February, 2021	5	5

The Committee look after the matters relating to transfer transmission / transposition of shares, demat of shares, issue of duplicate share certificates, redressal of shareholders / investors grievances and complaints regarding non-receipt of dividends, Annual Reports, etc. Except routine shareholder service related matters, during the year, no investor grievances were received by the Company.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The constitution of the committee comprises of Shri Prem Singh Khamesra as Chairman and Shri Shashank Agarwal, Shri Subodh Kumar and Smt. Usha Agarwal as members. The Committee met 4 times during the year 2020-21, the details of which are given below:

Sl No.	Date	Committee Strength	No. of Members Present
1.	30 th May, 2020	4	4
2.	29 th July, 2020	4	4
3.	09 th November, 2020	4	4
4.	9 th February, 2021	4	4

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013. The committee shall inter-alia look into the matters of formulating and recommending to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified under Schedule VII of the Act, recommend the amount of expenditure to be incurred on the activities referred to in CSR activities and to monitor the CSR Policy of the Company from time to time, etc.

7. GENERAL BODY MEETING:

Annual General Meeting:

The Annual General Meeting of the Company during last three years were held at the registered office of the Company at D-19-20, Panki Industrial Area, Kanpur – 208 022. The date and time of the AGM held during last three years and the Special Resolution(s), if any, passed there at are as follows:

2019-20

Date and Time : 3rd September, 2020 at 12:00 Noon

Special Resolution : 1. Reappointment of Shri Manoj Agarwal as Managing Director

2018-19

Date and Time : 12th September, 2019 at 12:00 Noon

Special Resolution : 1. Reappointment of Shri Sunil Mehta as Executive Director
2. Increase the limits of borrowing and mortgage under section 180(1)(a) and Section (180)(1)(c)

2017-18

Date and Time : 19th September, 2018 at 3:30 PM

Special Resolutions : 1. Reappointment of Shri Shashank Agarwal as Deputy Managing Director

Extraordinary General Meeting:

During last 3 years 1 EGM as held at the registered office of the Company at D-19-20, Panki Industrial Area, Kanpur – 208 022. The date and time of the EGM held during last three years and the Special Resolution(s), if any, passed there at are as follows:

2019-20

Date and Time : 18th April, 2020 at 1:00 PM

Special Resolutions :

1. Approval of continuation of directorship of Shri Mahesh Swarup Agarwal, Chairman Emeritus.
2. Approval of continuation of directorship of Dr. Ram Gopal Bagla and reappointment as Independent Director for a further period of 5 years w.e.f. 01/04/2020.

3. Approval and ratification of the re-appointment of Shri Prem Singh Khamesra, Independent Director for a further period of 5 years w.e.f. 01/04/2019.
4. Approval and ratification of the re-appointment of Shri Subodh Kumar, Independent Director for a further period of 5 years w.e.f. 01/04/2019.
5. Approval for re-issue / cancel/ dispose off the forfeited shares.

No Special Resolution was put through postal ballot last year nor is it proposed to put any Resolution to vote through postal ballot this year.

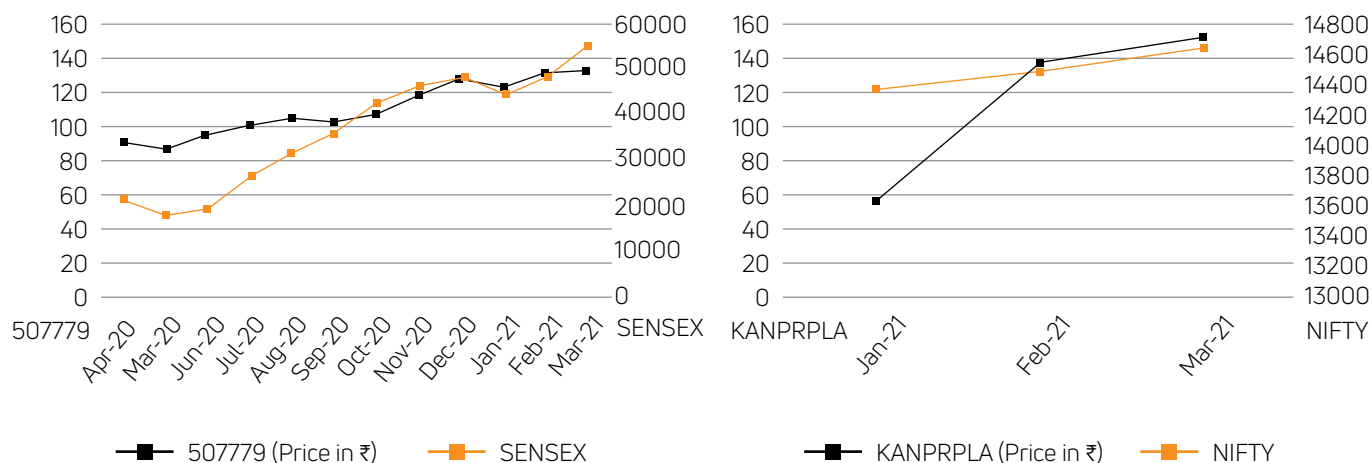
8. DISCLOSURES:

- a) All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis. Omnibus approval from the Audit Committee was obtained on annual basis for transactions which are of repetitive nature. There was no materially significant related party transaction i.e. transaction of material nature with its promoters, directors or management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Attention of members is drawn to the disclosure of transactions with the related parties set out in Notes on Accounts forming part of the Annual Report. The policy to deal with the related party transactions is uploaded on the company's website. The weblink of the same is <https://www.kanplas.com/en/policies>.
- b) During the year 2020-21:-
 - a) No person has been denied access to the Audit Committee to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics as per the "Vigil Mechanism (Whistle Blower Policy)" of the Company;
 - b) The Company has complied with all the mandatory requirements and most of the discretionary requirements specified in Part E of Schedule II of the SEBI (LODR) Regulations, 2015; and

- c) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or by any statutory authority on any matter related to capital markets during last three years.
- d) The Company has complied with the Corporate Governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- e) Shri Mahesh Swarup Agarwal, Shri Manoj Agarwal, Smt. Usha Agarwal and Shri Shashank Agarwal are relatives. There is no pecuniary or other relationship among any other Directors of the Company. Independent Directors are not related themselves, with the Company or any of its Directors.
- f) The details of familiarization programmes imparted to the Independent Directors have been disclosed at the website of the Company the weblink of the same is <https://www.kanplas.com/images/Details-of-Familiarization-programme-imparted.xlsx>
- g) Performance evaluation of Independent Directors is conducted by the entire board based on the basis of their experience, knowledge, competency, attendance, commitment, integrity and Independence.

9. MEANS OF COMMUNICATION:

The quarterly and Annual Results of the Company are sent to the Stock Exchanges, where the Company's shares are listed, immediately after they are approved by the Board. These are also published in regional language (Hindi) newspaper and in National English Daily as per the SEBI (LODR) Regulations. Quarterly and Annual Results and the Annual Report and other information are also available on the website of the Company i.e. www.kanplas.com. In compliance with the directives of Ministry of Corporate Affairs and Securities and Exchange Board of India, the Annual Report 2020-21, the Notice of the 50th AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).

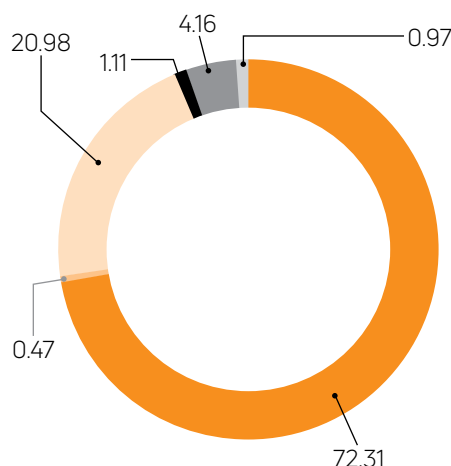


- (ix) Registrar and Share Transfer Agent(RTA)** : Skyline Financial Services Pvt. Ltd.
D-153/A, 1st Floor, Okhla
Industrial Area, Phase-I
New Delhi- 110 020

(x) Share Transfer System:

The shares received for transmission/transposition in physical form are processed by RTA and the Share Certificates are returned after authorization by the Company, within a period of 15 days from the date of receipt, subject to the documents being valid & complete in all respects. Any transferee who wishes to get the shares dematerialised may approach any of the Depository Participants (DP) along with a duly filled Demat Request Form.

(xi) Shareholding Pattern as on 31st March, 2021:



Category	No. of shares held	% of Share holding
Promoters	10349310	72.31
Private Corporate Bodies	67830	0.47
FII's	-	-
Indian Public	3002099	20.98
NRI's/OCBs	158843	1.11
IEPF Authority	595663	4.16
Others	138819	0.97
TOTAL	14312564	100%

(xii) Distribution of Shareholding as on 31st March 2021:

No of Shares	No. of Shareholders	Percentage	No. of Shares	Percentage
Up To 5,000	8031	89.46	1161946	8.12
5001 To 10,000	520	5.79	380697	2.66
10001 To 20,000	206	2.29	305689	2.14
20001 To 30,000	70	0.78	176739	1.23
30001 To 40,000	43	0.48	151765	1.06
40001 To 50,000	20	0.22	92636	0.65
50001 To 1,00,000	43	0.48	305206	2.13
1,00,000 and Above	44	0.49	11737886	82.01
Total	8977	100.00	14312564	100.00

(xiii) Dematerialisation of shares:

The Company's shares are under demat mode as well. The ISIN of the Company is INE694E01014. As on 31st March, 2021, 97.32% equity shares of the Company are in dematerialised mode.

(xiv) Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and impact on equity:

: Not Applicable

(xv) Commodity price risk or foreign exchange risk and hedging activities:

To control and minimise all those risk, the Company has formulated adequate system according to which each risk is effectively evaluated and ensured that these risks are known and addressed through a pragmatic and effective risk management process by the Management.

(xvi) Plant and Location:

- | | | |
|--------------------------|-----|---|
| (i) Registered Office | : | D-19-20, Panki Industrial Area,
Kanpur – 208 022 |
| (ii) Manufacturing Units | 1 - | D-19-20, Panki Industrial Area,
Kanpur - 208 022. |
| | 2 - | A-1, A-2, Udyog Kunj, Site V,
Kanpur - 208 022 |
| | 3 - | Gajner Road, Raipur, Fatehpur Roshnai Dist.,
Akbarpur, Kanpur-209121 |

(xvi) Address for Investor Correspondence: -

- | | | |
|--|---|---|
| • For shares held in Physical Form
& for any query on the Annual
Report & Dividend | : | Kanpur Plastipack Ltd.
D-19-20, Panki Industrial Area,
Kanpur-208 022 |
| • For Shares in Demat Form | : | Skyline Financial Services Pvt. Ltd.
D-153/A, 1 st Floor,
Okhla Industrial Area, Phase-I
New Delhi- 110 020 |

The Company has also created a dedicated email id (secretary@kanplas.com) exclusively for the purpose of registering and redressal of the services / complaints of investors and this is prominently displayed on the Company's website i.e. www.kanplas.com

(xvii) Credit Rating: - Details disclosed in Directors Report.

Declaration

I, Manoj Agarwal, Managing Director of Kanpur Plastipack Limited, hereby declare that, pursuant to Regulation 17 (5) of the SEBI (LODR) Regulations, 2015, all members of the Board and Senior Management personnel have affirmed their compliance with the Code of Conduct for the year ended 31st March, 2021.

It is also confirmed that, in the opinion of the board, the Independent Directors fulfill the conditions specified in the SEBI (LODR) Regulations, 2015 and are Independent of the management.

For and on Behalf of the Board of Directors

Place: KANPUR

Date: 24th May, 2021

(MANOJ AGARWAL)

MANAGING DIRECTOR

Certificate on Corporate Governance

To,
The Members,
Kanpur Plastipack Limited
D 19-20, Panki Industrial Area,
Kanpur, Uttar Pradesh – 208022

We have examined the compliance of conditions of Corporate Governance by Kanpur Plastipack Limited ("the Company"), for the financial year ended on March 31, 2021 as per Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations").

MANAGEMENT'S RESPONSIBILITY

The compliance of conditions of Corporate Governance is the responsibility of the Management. The Management's responsibility includes the implementation of the Rules and Regulations and maintenance of the internal controls and procedures to comply with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

OUR RESPONSIBILITY

Our responsibility is limited to examining the procedure and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and explanations given to us and representation made by the Directors and the Management, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the SEBI Listing Regulations, as applicable, during the financial year ended on March 31, 2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

RESTRICTIONS ON USE

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **ADESH TANDON & ASSOCIATES**
Company Secretaries

UDIN: F002253C000358015
Place: Kanpur
Date: May 24, 2021

(Adesh Tandon)
Proprietor
FCS No. 2253
C.P. No. 1121

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Clause (10)(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]

To,
The Members,
Kanpur Plastipack Limited
D 19-20, Panki Industrial Area,
Kanpur, Uttar Pradesh - 208022

We have examined the relevant registers, records and disclosures received from the Directors of Kanpur Plastipack Limited (hereinafter referred to as "the Company") having CIN:L25209UP1971PLC003444 and having its registered office at D 19-20, Panki Industrial Area, Kanpur, Uttar Pradesh - 208022, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause (10)(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company & its Officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. N.	Name of Director	DIN	Latest Date of Appointment/Re-appointment at current designation
1.	MAHESH SWARUP AGARWAL	00550799	15/09/2017
2.	MANOJ AGARWAL	00474146	01/09/2020
3.	SHASHANK AGARWAL	02790029	01/09/2018
4.	SUNIL MEHTA	03422673	19/09/2018
5.	USHA AGARWAL	00997099	15/09/2016
6.	AKSHAY KUMAR GUPTA	00004908	15/09/2016
7.	PREM SINGH KHAMESRA	00049162	01/04/2019
8.	RAM GOPAL BAGLA	00135348	01/04/2020
9.	SUBODH KUMAR	06933864	01/04/2019
10.	DHARAM BIR PRASAD	08453624	12/09/2019

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **ADESH TANDON & ASSOCIATES**
Company Secretaries

(Adesh Tandon)

Proprietor

FCS No. 2253

C.P. No. 1121

UDIN: F002253C000358136

Place: Kanpur

Date: May 24, 2021

ANNEXURE B TO DIRECTORS' REPORT**PARTICULARS REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013
READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014****A. CONSERVATION OF ENERGY:****I. STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY:**

- a) Based on our energy conservation experience of energy efficient chilling system at Unit-2 & 3, we have shifted all our MFY plants to Unit-3.
- b) Your Company entered into a 9.375 MW Power Purchase Agreements (PPA) to procure solar power through Group Captive Open Excess mode. The first part of this agreement was made operational at Unit 3 of the Company and is expected to be completed during this year. The estimated savings under this would be around ₹ 1.38 Cr annually and also 7000 Tons in carbon footprints. After full implementation of Group Captive Solar project including signing of banking agreement, which is likely to be completed during the current year, our 31% of total power requirement will be shifted under this mode and annual savings will be around ₹ 2.53 Cr and also 12500 Tons in carbon footprints.
- c) Your Company has also installed solar rooftop and carport in Unit 2 & 3, respectively, which take cares around 1.44% of our total electricity requirement.

II. STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCES OF ENERGY:

- a) During the year, the rooftop solar grid system (capacity 506 KW) has produced 428467 units of electricity. The system has also saved emission of 698401Kgs of Carbon Di Oxide during the financial year 2020-21.
- b) At Unit-3, we have installed a Carport Solar system in parking area to provide sun shed to all vehicles (bicycles, bikes and Cars) parked in the area using solar panels. Capacity of this system is 70.5 KW. This system has produced 80368 Units of electricity during FY 2020-21. This system has also saved emission of 130999 Kgs of Carbon Di Oxide during the year.

III. CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS:

During the year total Investment Capitalized under this head on purchase of Solar Power was approx ₹ 3.00 Cr.

B. TECHNOLOGY ABSORPTION:**I. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION:**

The Management regularly keeps a watch on the latest technological developments in the field of operations of the Company and whenever there are changes which in the opinion of management are beneficial, your Company absorbs the same. During the year to make your company a smart factory, company is aggressively looking towards adopting the new world of Artificial Intelligence system and embeds this new wonderful technology in its manufacturing process.

Some key efforts taken up by the company are:

- i) Stepping towards Industry 4.0
- ii) Pilot run are going on intelligent Video Analytics and IOT sensors to have realtime information from production floor.

II. BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION:

Once these systems are implemented in the factory, productivity will improve.

III. IN CASE OF IMPORTED TECHNOLOGY (IMPORTED DURING THE LAST THREE YEARS RECKONED FROM THE BEGINNING OF THE FINANCIAL YEAR:

details of technology imported	year of import	whether the technology been fully absorbed	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof
--	--	--	--

IV. THE EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT:

NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, the Company has earned and spent Foreign Exchange as detailed below:

	(₹ In Lacs)
(i) Earning on FOB value basis	33,674.30
(ii) Total Expenditure in Foreign Currency:	
(a) Expenditure on Import of Raw Materials, Plant and Machinery and Spare parts and others	1,667.47
(b) Expenditure on Export promotion tour	-
(c) Expenditure on other than above	89.54

ANNEXURE C TO DIRECTORS' REPORT

The information as required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) & Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Remuneration paid to Directors and Key Managerial Personnel:

(₹ in Lacs)

Sl. No.	Name	Title/Category	Remuneration in Fiscal 2021	Remuneration in Fiscal 2020	Increase in remuneration	% increase remuneration	Ratio of remuneration to the MRE
1	Mahesh Swarup Agarwal	Chairman Emeritus	41.88	18.00	23.88	132.67%	37.73
2	Manoj Agarwal	Managing Director -KMP	184.61	69.15	115.46	166.97%	166.32
3	Shashank Agarwal	Deputy Managing Director	167.49	60.54	106.95	176.66%	150.89
4	Sunil Mehta	Executive Director	49.30	42.03	7.27	17.30%	44.41
5	Usha Agarwal	Non Executive Director	-	-	-	-	-
6	Prem Singh Khamesra	Independent Director	-	-	-	-	-
7	Akshay Kumar Gupta	Independent Director	-	-	-	-	-
8	Subodh Kumar	Independent Director	-	-	-	-	-
9	Ram Gopal Bagla	Independent Director	-	-	-	-	-
10	Dharam Bir Prasad	Independent Director	-	-	-	-	-
11	Ankur Srivastava	Company Secretary -KMP	14.37	13.57	0.80	5.90%	12.95
12	Vishal Jain	CFO-KMP	32.00	29.50	2.50	8.47%	28.83

Key parameters for any variable component of remuneration availed by the Directors: Commission as a fixed percentage of net profit is paid to Managing Director and Deputy Managing Director. Fixed performance incentive is paid to Executive Director.

There is no employee of the Company who has received remuneration in excess to the highest paid Director of the Company.

Comparison of Remuneration to Employees

(₹ in Lacs)

Particulars	As on 31.03.2021	As on 31.03.2020	Increase / Decrease	Average Increase / Decrease	Median Remuneration of Employee (MRE)		Increase / Decrease in MRE	% Increase / Decrease in MRE
					As on 31.03.2021	As on 31.03.2020		
Number of permanent Employees on the rolls of the Company	1533	1404	129					
Total Remuneration	4078	3462	616	0.44	1.11	1.09	0.02	1.83%

The figures of the previous year have been regrouped and recast wherever found necessary.

The number of permanent employees on the roll of the company represents the employees on roll as on 31st March of the relevant financial year, however, the median includes the remuneration of those employees also who left the company during relevant financial year.

Average increase in the remuneration of employees is ₹0.19 Lacs and percentile average increase in remuneration is 7.88%. During the year, Turnover of the Company was increased about 42.36% and net profit about 512.78%, the remuneration is increased due to change in policy, new recruitment and revision of salary.

The remuneration paid to the Directors, KMP and employees is in accordance with the remuneration policy of the Company.

Average percentile increase in salaries of employees other than managerial personnel during 2020-21 was 1.71% in comparison to earlier year 13.80%. In the same period there was an increase about 133.65% in the managerial remuneration. The managerial remuneration was increased during the year 2020-21 as in the previous year 2019-20 no commission was paid to any director due to affected profitability of the Company, however, for the year 2020-21 the provisions of commission was restored. The increase in the total remuneration of employees is due to change in policy, new recruitment, revision of salary.

2. Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name of Employee	Designation of the Employee	Nature of Employment, whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of current employment	Age of Employee	Last employment held before joining the Company	% of Equity Shares held	Remuneration Received (₹ in Lacs)
Manoj Agarwal	Managing Director	Contractual	Master in Management Studies	01/09/2020	66	NIL	9.48%	184.61
Shashank Agarwal	Deputy Managing Director	Contractual	B. Engg (Honors)	01/09/2018	33	NIL	7.62%	167.49

Note: Shri M. S. Agarwal, Chairmen Emeritus, Shri Manoj Agarwal, Managing Director, Shri Shashank Agarwal, Deputy Managing Director and Smt Usha Agarwal, Director are related to each other

ANNEXURE D TO DIRECTORS' REPORT

Secretarial Audit Report

For the Financial Year ended March 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Kanpur Plastipack Limited
D 19-20, Panki Industrial Area,
Kanpur, Uttar Pradesh – 208022

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kanpur Plastipack Limited** (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), as amended from time to time:

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client **(Not applicable to the Company during the Audit Period)**;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

We further report that, having regard to the compliance system prevailing in the Company and as certified by management and on examination of the relevant documents and records in pursuance thereof, on text check basis there are no specific laws applicable to the company.

We have also examined compliance with the applicable clauses of the following:

- I. Secretarial Standards issued by the Institute of Company Secretaries of India (as amended from time to time);

II. The Listing Agreement as entered into by the Company with Stock Exchange(s).

During the Audit Period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the review period.

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at the Board Meeting and Committee Meeting has been carried out without dissent, as recorded in the minutes of the meetings of the Board or Committee of the Board, as the case may be.

We further report that, there exist systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period:

- (i) No instances of issue of public/right/Preferential Issue of shares / sweat equity, debentures etc;
- (ii) No instances of Redemption / Buyback of securities;
- (iii) No instances of Merger / amalgamation / re-construction, etc; and
- (iv) No Foreign technical collaborations.

For **ADESH TANDON & ASSOCIATES**
Company Secretaries

(Adesh Tandon)

UDIN: F002253C000357553

Place: Kanpur

Date: May 24, 2021

Proprietor

FCS No. 2253

C.P. No. 1121

Note: This Report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.

'Annexure A'

To,
The Members
Kanpur Plastipack Limited

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **ADESH TANDON & ASSOCIATES**
Company Secretaries

(Adesh Tandon)
Proprietor
FCS No. 2253
C.P. No. 1121

Place: Kanpur
Date: May 24, 2021

ANNEXURE E TO DIRECTORS' REPORT

Corporate Social Responsibility (CSR) Policy

Corporate Social Responsibility is strongly connected with the principles of sustainability. An organisation should make decisions based not only on financial factors, but also on the social and environmental consequences thereof. Therefore, it is the core corporate responsibility of KPL to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting its financial interests and the aspirations of its stakeholders.

KPL recognises that its business activities have wide impact on the societies in which it operates, and, therefore, an effective CSR practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organisations. The Company's endeavors to make CSR a key business process for sustainable development. KPL is responsible to continuously enhance shareholder wealth. It is also committed to its other stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society. Our Company is committed towards aligning with nature and has adopted, as far as possible, eco-friendly practices. As a corporate entity, the Company is committed towards sustainability.

Corporate Social Responsibility

Corporate Social Responsibility means and includes but not limited to the projects or programmes relating to activities specified in Schedule VII of the Act in pursuance of recommendation of the CSR Committee of the Board as per declared CSR Policy of the Company subject to the condition that such policy will cover subjects enumerated under Schedule VII of the Act.

Guiding Principles:

To attain its CSR objectives in a professional and integrated manner, the company shall:

- Undertake proactive engagement with stakeholders to actively contribute to the socio-economic development of the periphery/community in which it operates.
- Create a positive footprint within the society by creating inclusive and enabling infrastructure/environment for livable communities.
- Ensure environmental sustainability by adopting best ecological practices and encouraging conservation/judicious use of natural resources.
- Work towards mainstreaming the marginalised segments of the society by striving towards providing equal opportunities and making meaningful difference in their lives.
- Focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and groom them as future value creators.
- Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life.
- Emphasise on providing basic nutrition/health care facilities with special focus on establishing health centers for the mother and child as well as the elderly.
- Facilitate water conservation by reducing water consumption at the plants and taking up rain water harvesting projects.
- Work towards generating awareness for creating public infrastructure that is barrier free, inclusive and enabling for all including the elderly and the disabled.
- Create positive awareness towards the need to adopt measures that lead towards reducing carbon footprints, dependence on fossil fuels and promote alternate energy approaches.
- At the time of national crisis, as a company it is imperative for us to respond to emergency situations & disasters by providing timely help to affected victims and their families.

CSR Policy:

In order to achieve the above principles, and as per Section 135 read with schedule VII of the Companies Act, 2013, KPL shall undertake the Corporate Social Responsibility (CSR) Activities particularly in the following sphere and expenditure towards one or more of the below mentioned activities, on continuous basis, shall be the "Kanpur Plastipack Limited Corporate Social Responsibility Policy":

- (i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- (v) Protection of National Heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (vi) Measure for the benefit of armed force veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympics sports;
- (viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women;

- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural Development projects.
- (xi) slum area development.

Manner of CSR Activity and its reporting

The CSR Committee shall recommend the expenditure to be incurred on the above activities and shall from time to time monitor and report to the Board about the implementation thereof, expenditure incurred and to be incurred, amount expended, amount unspent, balance amount to be incurred and in case of any deviation from the stated policy, reasons thereof is to be reported to the Board and the Board shall report to the shareholders in its Directors Report.

Trust or bodies incorporated with charitable objects may be approached for the implementation of the CSR Activities in pursuance to the above CSR Policy. The detail reporting of the same shall be made to the CSR Committee.

An Annual Report on CSR Activities detailing the amount required to be expended, detailed CSR projects and amount expended on each CSR activity will be reported to the Stakeholders.

ANNEXURE F TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2020-21

[Pursuant to the provisions of section 135 read with Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company

KPL recognises that an effective CSR practice is required to give due consideration to the interests of its stakeholders. The Company's endeavors to make CSR a key business process for sustainable development. It is also committed to its other stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society. Our Company is committed towards aligning with nature and has adopted, as far as possible, eco-friendly practices. As a corporate entity, the Company is committed towards sustainability. Corporate Social Responsibility means and includes the projects or programmes relating to activities specified in Schedule VII of the Act in pursuance of recommendation of the CSR Committee of the Board as per declared CSR Policy of the Company subject to the condition that such a policy will cover subjects enumerated under Schedule VII of the Act.

The CSR Committee of the Company has decided to spend the amount of CSR *inter-alia* on promoting health care, education, conservation of natural resources etc.

2. Composition of the CSR Committee

CSR Committee of the Company consists of 2 Independent Directors, 1 Non Executive Director and 1 Whole Time Director of the Company. The composition of the CSR Committee is as under:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Prem Singh Khamesra	Chairman	4	4
2	Subodh Kumar	Member	4	4
3	Usha Agarwal	Member	4	4
4	Shashank Agarwal	Member	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

CSR policy is attached with the Directors report and the same has also been uploaded on the website of the Company. Weblink of the same is given below:

<https://www.kanplas.com/en/policies>

The Composition of the CSR Committee has been disclosed on the website of the Company at below link: <https://www.kanplas.com/images/constitution-of-commiittees.pdf>

The details of the programmes which the Company is authorised to undertake are given at the below link on the website of the Company:

<https://www.kanplas.com/en/corporate-social-responsibility>

4. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)

NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

NIL

6. Average net profit of the company as per Section 135(5)

₹ 1,777.33 Lacs

7. (a) Two percent of average net profit of the company as per Section 135(5) ₹ 35.55 Lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years NIL

(c) Amount required to be set off for the financial year, if any NIL

(d) Total CSR obligation for the financial year (7a+7b-7c) ₹ 35.55 Lacs

8. (a) CSR amount spent or unspent for the financial year 2020-21:

Total Amount Spent for the Financial Year. (₹ in Lacs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
50.27	NIL	-	-	NIL	-

(b) Details of CSR amount spent against ongoing projects for the financial year 2020-21: NIL

(C) Details of CSR amount spent against other than ongoing projects for the financial year 2020-21:

(1) S. No	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes / No)	(5) Location of the Project (State and District)	(6) Amount Spent for the project (₹ in Lacs)	(7) Mode of implementation - Direct (Yes/ No)	(8) Mode of implementation - Through implementing agency	
							Name	CSR Reg. No.
1.	Promoting Health Care (Medical Clinic)	Promoting health care including preventive health care	Yes	Self Medical Clinic: Situated at Village Nauriya Kheda, Kanpur, Uttar Pradesh	12.14	Direct expenditure	-	-
2.	Health Checkup Camp		Yes	Village Nauriya Kheda, Sarai Meta, Kanpur, UP and Shyampur and Gajner Road, Kanpur Dehat, Uttar Pradesh	3.48	Direct expenditure	-	-
3.	Health Care for Covid-19		Yes	Distribution of masks, sanitizer, PPE kits and other medical help to the administration and hospitals of the Kanpur city, Uttar Pradesh and nearby places	8.87	Direct expenditure	-	-
4.	Promoting Education	Promoting Education	Yes	Comfest Jaipuria School, Cantt, Kanpur, Uttar Pradesh	0.50	Direct expenditure	-	-
5.	Training & Skill Development Programme	Promoting education and employment	Yes	Jyoti Bal Vikas Sanstha, a high-tech specialized school for hearing impaired children situated at Bithoor, Kanpur, Uttar Pradesh	1.50	Direct expenditure	-	-
6.	Animal Welfare	Animal Welfare	Yes	<ul style="list-style-type: none"> Shed for Cows at village Bilsaray, Kanpur Dehat, Uttarpradesh Adoption of 2 Leopard Cubs at Kanpur Zoological Park, Kanpur, Uttar Pradesh 	2.26	Direct expenditure	-	-
7.	Protection of flora and fauna, agro forestry	Protection of flora and fauna, agro forestry	Yes	Adoption of Park for its maintenance situated at Udyog Kunj, Panki Industrial Area, Kanpur, Uttar Pradesh	18.92	Direct expenditure	-	-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
S. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes / No)	Location of the Project (State and District)	Amount Spent for the project (₹ in Lacs)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
							Name	CSR Reg. No.
8.	Eradicating hunger, poverty, malnutrition, financial support, distribution of shoes, clothes, blankets, tea, foods etc. to poor /needy people	Eradicating hunger, poverty, distribution of livelihood goods and malnutrition	Yes	Financial help to needy nearby factory area, Kanpur, Uttar Pradesh	2.60	Direct expenditure	-	-
Total					50.27			

(d) Amount spent in Administrative Overheads NIL

(e) Amount spent on Impact Assessment, if applicable NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹ 50.27 Lacs

(g) Excess amount for set off, if any

Sl. No.	Name of Director	Amount (₹ in Lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 35.55 lakh
(ii)	Total amount spent for the Financial Year	₹ 50.27 lakh
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 14.72 lakh
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 14.72 lakh

9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). NA

For Kanpur Plastipack Limited

Date: 24/05/2021

Place: Kanpur

(Manoj Agarwal)
Managing Director

(Prem Singh Khamesra)
Chairman CSR Committee

ANNEXURE G TO DIRECTORS' REPORT

Remuneration Policy

(As approved by the Board of Directors in their meeting held on 28th July, 2021)

In determining the remuneration policy, the Nomination and Remuneration Committee ensures that a competitive remuneration package for Board-level executives, KMPs and Senior Management personnel commensurate to their performance is maintained and benchmarked with the trend in the Industry.

The terms of reference, objectives and key elements of the policy produced below is in line with the provisions of Section 178(4) of the Companies Act, 2013, which requires that the policy be formulated in a manner such that it ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully and also that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

BASIS OF FORMULATION

The Company while deciding the remuneration package of the senior management members takes into consideration the following items:

- a. Educational/Technical skills, knowledge of industry
- b. employment scenario
- c. remuneration package in similar industry and
- d. remuneration package of the managerial talent in other industries.

1. Remuneration to the Members of the Board of Directors

I. Remuneration payable to Executive Directors

The Company shall pay remuneration to its executive directors either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other. The elements of the remuneration package of the Executive Director comprises of salary, perquisites & allowances comprising of Company maintained accommodation or house rent allowance, leave travel allowance and other perquisites and allowances including Company's contribution to provident fund, gratuity and leave encashment facilities in accordance with rules of the Company and as may be mutually agreed with the Director concerned.

Annual increments, if any, shall be effective 1st January each year or the date as may be fixed by the Board of Directors from time to time.

The Commission, if any, shall be payable annually after the Financial Statements have been adopted by the Shareholders.

The remuneration or any change therein is first recommended by the Nomination and Remuneration Committee and then approved by the Board of Directors and thereafter will be placed before the Shareholders for their approval.

II. Remuneration payable to Non-Executive and Independent Directors

The sitting fee payable to the Non Executive Directors of the Company for attending the meetings of the Board of Directors and Committees thereof shall be at the rates as may be decided by the Board of Directors from time to time and will be within the maximum limits as prescribed in the Companies Act, 2013.

The Board of Directors may also fix any remuneration or profit linked commission or performance incentives payable monthly or yearly or any other honorarium or benefit to the Independent Directors as per the procedure and within the limits as may be prescribed by the Companies Act, 2013, from time to time, and shall be subject to the confirmation from the Shareholders of the Company from time to time.

The Company shall not have any pecuniary relationship or transaction with its non-executive Directors other than payment of sitting fees, reimbursement of expenses and other remuneration, if any, payable to them.

III. Remuneration payable to Chairman / Chairman Emeritus

Remuneration payable to the Chairman / Chairman Emeritus as may be appointed by the Company, from time to time, shall be subject to the approval of the shareholders of the Company and will be within the limits laid down under Section 197 read with Section 198 read with Schedule V of the Companies Act, 2013

The total managerial remuneration payable to all the Directors of the Company shall not exceed the maximum limits as prescribed under Section 197 read with Schedule V of the Companies Act, 2013, subject to the approvals as may be required from time to time.

2. Remuneration payable to other KMPs and Senior Management personnel

As may be decided by the management in accordance with the policy of the Company.

CEO CFO Certificate

To
The Board of Directors
Kanpur Plastipack Limited
Dear Sir,

- A. We have reviewed the standalone and consolidated financial statements and the cash flow statement for the year 2020-21 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

(Manoj Agarwal)
Managing Director/CEO

(Vishal Jain)
CFO

Date: 24/05/2021
Place: Kanpur

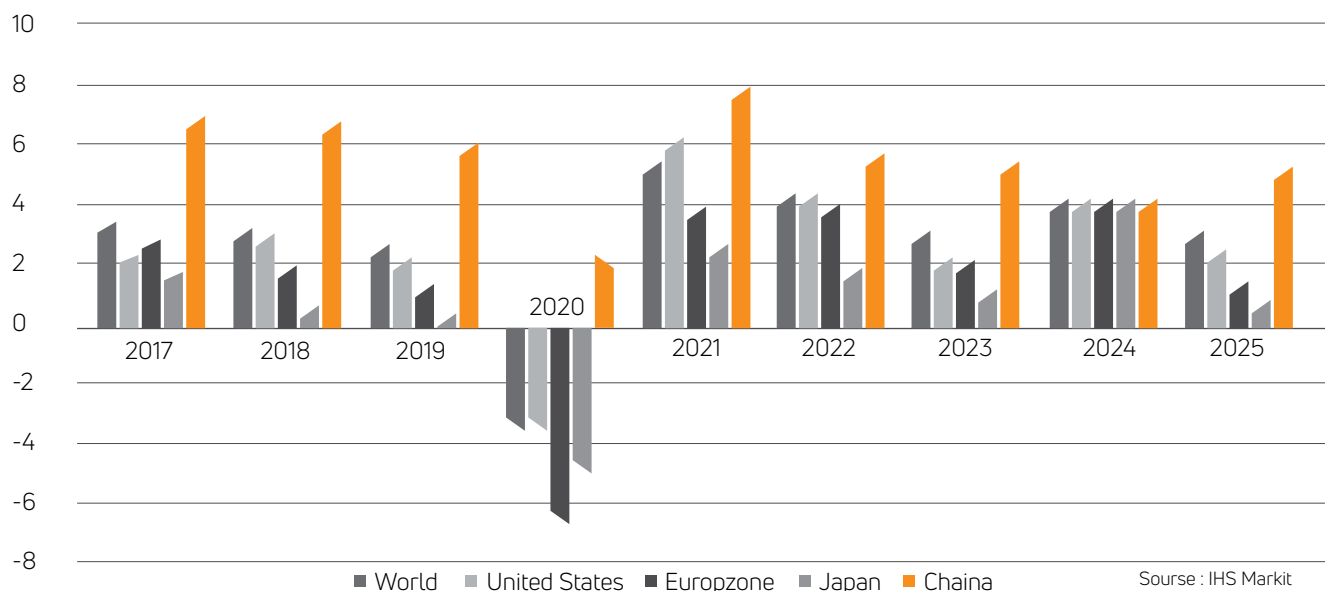
Management Discussion & Analysis

Global Economic Overview

Most of the Countries, whether developed or emerging, took strict measures to contain the spread of the Covid-19 virus including closing their borders and closure of industrial operations within the country. As a result, Global GDP contracted by ~3.5% in 2020. China possibly remained the only exception recording a growth although at a very low level of above 2%. The response by policy makers prevented a collapse that would have been at least three times worse, and the medium-term losses for the global economy are expected to be smaller than the global

financial crisis. The overdose of liquidity infusion by all the leading central banks of the world ensured that mistakes of the past were not repeated and consumption attempted to come back on track. This has led to an unprecedented rise in prices of almost all commodities and raw materials. International logistics has hit serious hurdles with the Global trade struggling to cope with the container crises and maintain supply chains across all countries.

Real GDP growth (percentage change)



Indian Economic Overview

As an adverse impact of the pandemic and nationwide lockdown, the Indian economy contracted by 7.3% in FY 2020-21. India's economic decline was sharper than other key economies due to strict and early lockdowns to control the spread of COVID-19. The lockdowns helped in preventing a health catastrophe during the first phase. However, India's economy rebounded quickly from one of the world's longest and most stringent lockdowns and saw a V-shaped recovery.

Among other industrial indicators, electricity demand growth is now positive and GST collections have remained robust. Digital adoption saw acceleration during the crisis, particularly in the usage of digital payments which grew more than 100% YoY. FDI and equity FII flows were strong, driving India's forex reserves to an all time high of ~US\$580 billion by the end of FY 2020-21. This has kept the Rupee at a relatively stable level. However,

inflationary pressures are now a concern with the recent rise in Crude Oil prices which will further fuel a rise in input costs.

The Reserve Bank of India (RBI), and the central and state governments provided critical support to the economy during the crisis. RBI maintained loose monetary policy, cutting repo rates during 2020. To keep funding markets easy, the RBI maintained liquidity surplus through various monetary measures.

Economic Outlook

The accelerating rollout of COVID-19 vaccines in many advanced economies including India has set the stage for rapid recovery in the second half of this year and into 2022. Advanced economies will remain less affected by the virus this year and beyond, with low-income countries and emerging

markets suffering more. India has shown a strong rebound on a year on year basis in the first quarter. In its latest Policy statement, the RBI, recognising the risks associated with the second wave, revised down its GDP forecast to 9.5% for FY22 while revising up its inflation forecast to 5.1% for the year. On the growth front, the RBI expects rural demand to get support from a normal monsoon that bodes well for consumption. That said, rising COVID cases in rural India poses downside risks. It is believed that the massive amounts spent on healthcare and coupled with a strong vaccination drive will help mitigate a negative outcome from a possible third wave.

As per the World Bank, the global economy is set to expand 5.6 percent in 2021—its strongest post-recession pace in 80 years. This recovery is uneven and largely reflects sharp rebounds in some major economies. In many Emerging Market and Developing Economies (EMDEs), obstacles to vaccination continue to weigh on activity. The global outlook remains subject to significant downside risks, including the possibility of additional COVID-19 waves and financial stress amid high EMDE debt levels.

Source: www.worldbank.org

1. Industry Structure and Development

Indian Plastics and Packaging Industry

The Indian plastics industry made a promising beginning in 1957 with the production of polystyrene. Thereafter, significant progress has been made, and the industry has grown and diversified rapidly. The industry spans the country and hosts more than 2,000 exporters. It employs about 4 million people and comprises more than 30,000 processing units, 85-90% of which are small and medium-sized enterprises.

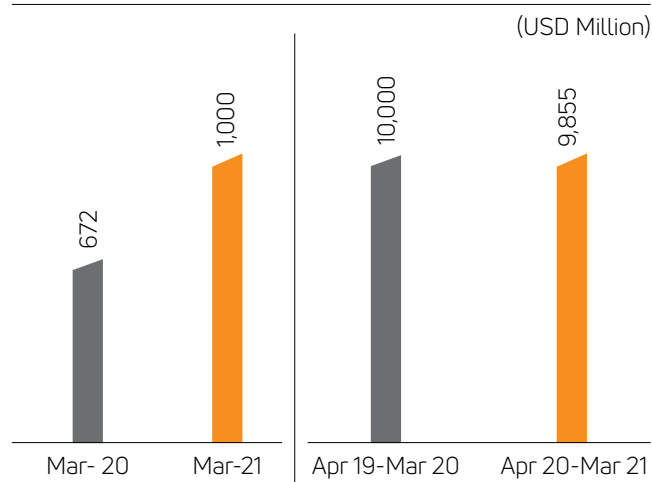
Source: Indian Brand Equity Foundation.

Today, India has become a renowned plastic manufacturing hub due to easy availability of raw materials and low cost of production. Plastic is a vital component for varied manufacturing sectors and, therefore, makes a significant contribution to the Indian economy. The Indian plastic industry produces and exports a wide range of raw materials, plastic-molded extruded goods, polyester films, molded / soft luggage items, writing instruments, plastic woven sacks and bags, polyvinyl chloride (PVC), leather cloth and sheeting, packaging, consumer goods, sanitary fittings, electrical accessories, laboratory / medical surgical ware, tarpaulins, laminates, fishnets, travel ware, and others.

The Indian plastics industry offer excellent potential in terms of capacity, infrastructure, and skilled manpower. It is supported by many polymer producers, plastic process machinery and mould manufacturers in the country. Among the industry's major strengths is the availability of raw materials in the country.

The company manufactures FIBCs which is a significant product used globally for Bulk packaging. This segment has continued to see a robust demand and growth. The FY 20-21 has domestically seen a huge surge in the demand for packaging products. Changes in lifestyles, shipping out goods, increased awareness for safety and hygiene have all helped in this growth.

During March 2021, India exported plastics worth USD 1.0 Billion, up 48.9% from USD 672 million in March, 2020. Cumulative value of plastics exports during April 2020-March 2021 was USD 9,855 Million as against USD 10,000 Million during the same period last year, registering a negative growth of 1.4%.



Source: Ministry of Commerce and Industry, Govt. of India

Outlook

The industrial packaging market is highly dependent on the global import and export activities. The Covid-19 outbreak and recent lockdowns across the globe have affected the industrial activities across the world. Some of the effects of lockdown include supply chain disruptions, lack of availability of raw materials used in the manufacturing process, labour shortages, fluctuating prices that could cause the production of the final product to inflate and go beyond the budget and shipping problems.

Valued at USD 31.7 billion in 2015, the Indian packaging industry was pegged to touch USD 72.6 billion by 2020, as per the Associated Chambers of Commerce and Industry of India. The spread of Corona virus side-tracked the forecasts considerably. Even with the ongoing pandemic, the industry has continued to steadily rise largely due to the emergence of online retail and e-commerce brands. On the other hand Indian plastic industry promises great potential and is equipped with world-class infrastructure, offers continuous supply of skilled labour and has the capacity to fulfil diverse consumer requirements. The sector not only supports economic growth, it is also the mainstay for several downstream industries as well that can play a major role in aiding the Government's vision of Atmanirbhar Bharat.

2. Company Overview

Kanpur Plastipack Limited (KPL) is one of India's most reputed manufacturers of bulk bags or Flexible Intermediate Bulk Containers (FIBCs) and other industrial packaging products. Its state-of-the-art manufacturing facilities situated at 3 different locations at Kanpur are certified to abide by global benchmarks, delivering superior quality products to customers across the globe. Its global business across Europe, Asia, North & South America, Africa etc. accounts for more than 75% of the Company's total revenue.

With an experience of five decades in the industry, KPL has grown to be an institution that supplies and exports millions of bags to over 40 countries across the globe. KPL is built on an exceptional track record of customer satisfaction. The substantial increase in production capacity and its immense success is based on a value driven engagement with our clients and a strong commitment in exceeding their expectations. KPL offers a diverse portfolio of customised bulk packaging solutions. KPL offers customised

technical product improvements and cost-saving design improvements to suit your diverse needs.

During the year under review, the Company obtained / reaffirmed following Food Grade Certifications -

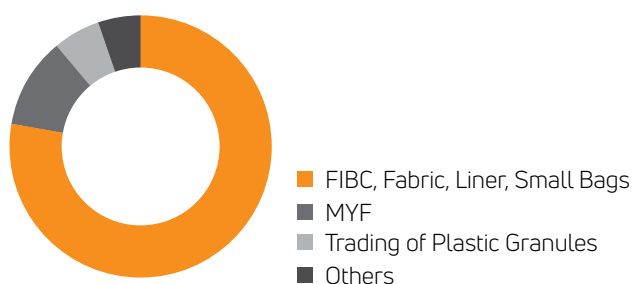
- BRCGS for Packaging Materials Issue 6 (Unit 2 & 3)
- ISO 22000:2018 Food Safety Management System (Unit 2)

Segment wise Performance

Your Company's principle areas of business are :

- Manufacturing of PP Fabrics and FIBCs
- Manufacturing of Multi Filament Yarn,
- Trading of plastic granules
- Solar power generation activities

Product Mix 2020-21



Product-wise performance breakup:

Product	FY 2020-21		
	Qty (MT.)	Amount (₹ in Cr.)	% of Total Revenue
FIBC, Fabric, Liner, Small Bags	20,745	355.58	77%
MFY	3,992	50.28	11%
Trading of Plastic Granules	-	29.24	6%
Others	-	24.06	6%
Total Net of Taxes	24,737	459.16	100.00%

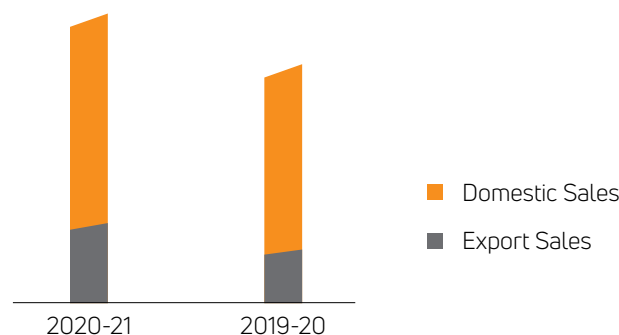
FIBC and Fabrics

More than 75% of the revenue of your Company comes from this division. India continues to gain traction as a major global supplier of FIBCs in the world. As FIBCs constitute an integral part of packaging solutions in the US and European countries, demand continues to increase with increasing acceptance by additional downstream sectors like pharmaceuticals and the food industry. The year saw a YoY growth in this segment by 47% and it's a mark of the company's resilience that despite the pandemic this volume growth was seen.

As consumers continue to look for business opportunities outside China, your Company stands to significantly gain and increase its market share in India and abroad with increased capacity and state of art infrastructure. The Company has actively worked towards geographical diversity and increased its presence in the new markets.

Multifilament Yarn (MFY)

The demand for polypropylene multifilament yarn is increasing rapidly in the textile industry due to its cost-effective nature and its ability to add strength to the finished product. It has become an independent vertical over the years and now more than 10% revenues of the Company are attributed to this segment.



The applications of MFY are geo-textiles, filter cloth, safety net, elastic band, container bags, and sewing yarns. The market for this product has been growing and increasing regularly. Growth in domestic packaging and technical textiles has helped generate demand. The addition of a sixth Line this year will help to leverage its expertise to efficiently fulfill this demand as we move forward.

Trading of Plastic Granules

Your Company has been operating as Dealer Operated Polymer Warehouse (DOPW) of Indian Oil Corporation Limited for their Polymer division. The Dealer Operated Polymer Warehouse activity of Indian Oil Corporation Limited also showed improved performance. We sold 23,503 MT in the current year as against 14,726 MT in the previous year, showing an increase of about 60% over the previous year.

In addition, during the year the Company did some trading activity in Plastic Granules which helped in the bottom line. It allowed the Company to leverage its associations with international suppliers of raw material and as a shortage surfaced in the last quarter we were able to adequately serve the market.

Solar Energy

As part of its commitment towards the environment your Company was the first in the region to instal rooftop solar power generating system in the year 2014. A total of 576.50 KW roof top solar power generating systems have been installed within the Company which produced, during the year, around 5.08 Lacs units of electricity. The system has also saved emission of 8.30 Lacs Kgs. of Carbon-Di-Oxide during the year.

Your Company entered into a 9.375-MW Power Purchase Agreement (PPA) to procure solar power through Group Captive Open Excess mode. The first part of this agreement was made operational at Unit 3 of the Company in March 21 and its implementation across all units is expected to be completed during this year. It is expected that the company would be sourcing almost 40% of its power needs from renewable sources and thus contributing a great deal to save the environment. Regulatory hurdles and an inconsistent policy from the Government has prevented us from accelerating our captive rooftop programme further. The savings on the carbon foot print on full implementation is estimated to be 16,000 Tons per annum.

3. Financial and Operational Performance

Your Company crossed various major milestones during the year under review. Despite a year full of challenges, the Company has given its best ever financial performance supported by a substantial increase in production. We

continued our investments in capacity enhancement and the pandemic gave us opportunities in locating new customers in different geographical locations.

The Operations of your Company had started within a week of the nationwide lockdown last year. It did take a couple of months to stabilise and soon with the dedicated efforts of our employees, your Company reached normalcy in operations. Remarkably, it was also a period which saw a robust global demand and we were well set to meet it having been an early starter.

During the year 2020-21 your Company crossed the turnover of ₹459.16 Crores. Profit after tax showed a phenomenal rise to ₹30.21 Crores, an increase of about 513% over the previous year. The operational performance of the Company has improved in every sphere of production, exports and sales.

Financial Highlights

A detailed note on the financial part has been recorded in the Directors Report the highlights of the financial performance are given herein below:

	(₹ in Lacs)	
Particulars	2020-21	2019-20
Net Worth	15,749	12,856
Revenue	45,916	32,253
Profit before Tax	4,413	631
Net Profit	3,021	493
EBIDTA	6,249	2,572
Gross Block	24,246	21,289
Debtors Turnover Ratio	9.54	7.36
Inventory Turnover Ratio	6.00	6.31
Interest Coverage Ratio	10.87	2.17
Current Ratio	1.30	1.47
Debt Equity Ratio	0.45	0.51
Operating Margin Ratio	9.61	1.96
Net Profit Margin Ratio	6.58	1.53
EBDITA %	13.61%	7.97%
EPS	20.81	3.45

4. Risk Management

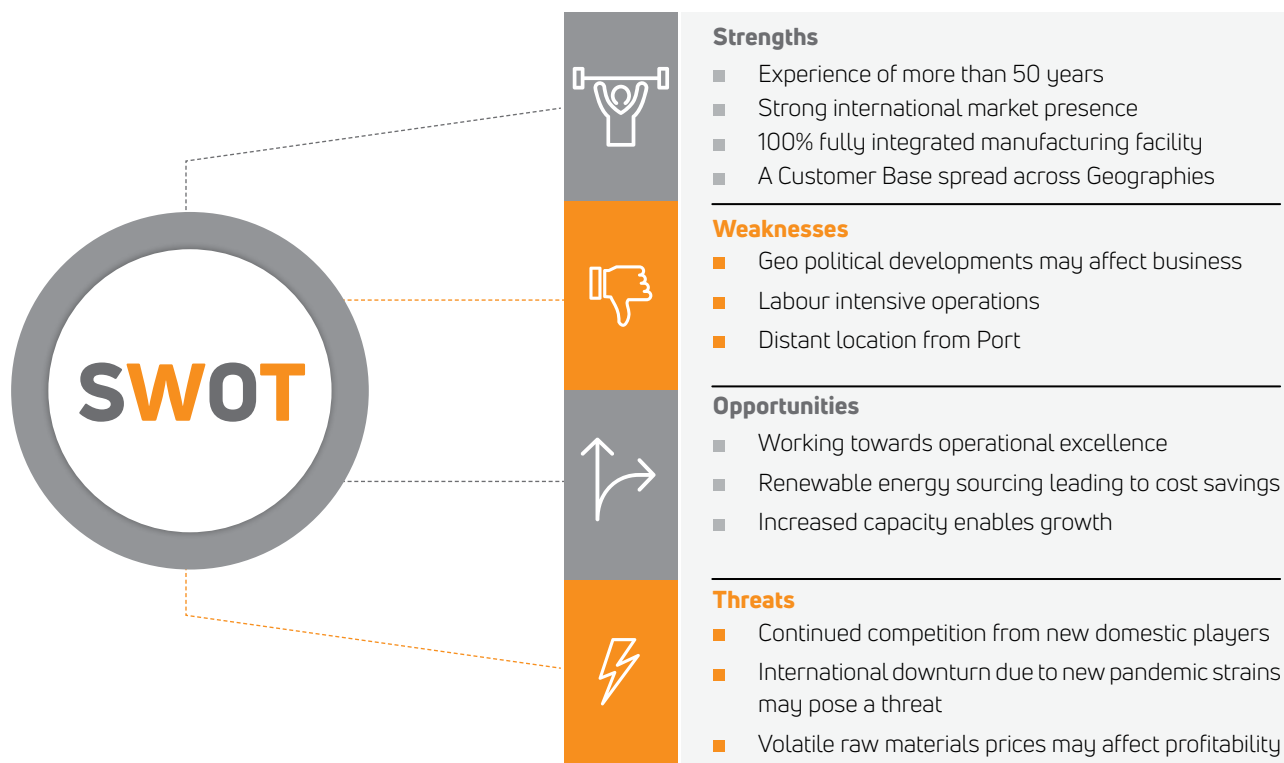
The Company follows a risk management policy wherein the management keeps an eagle's eye view on the markets, both domestic and foreign, related to the products, the Company manufactures and the raw materials required. The management also monitors the socio-economic changes worldwide and the changes in the currency fluctuation to minimize the risks.

There are no risks which in the opinion of the Board are of the nature that can threaten the existence of the Company. However, the risks inter-se that are generally dealt in regular course of business and have to be taken

care of are -economic risk, technology risk, fluctuations in foreign exchange rates and raw material prices which the Company regularly monitors with a proactive approach adopted by the management to evaluate and mitigate

these potential risks. An additional risk arising out of the Covid-19 pandemic cannot be ruled out which may lead to a possible future lockdown or a temporary closure.

5. SWOT Analysis



6. Internal Control System

The Company has a requisite system of internal controls which are regularly evaluated, tested & revisited by the Management and the Internal Auditors. Further, the report of the Internal Auditors is reviewed by the Top Management and the Audit Committee on a quarterly basis.

the workforce to contribute towards organisational goals. The Company focuses on adequate training to empower and encourage employees. A transparent and active line of communication also exists within the organisation to enable team work and promote a culture of trust and confidence. As on March 31, 2021, KPL has a team of 1533 employees.

7. Human Resource Development

KPL believes and considers Human Resources as a vital asset for the growth of the Company. The response of the employees of the Company during Covid crisis was extraordinary and the management places on record their appreciation to the Company's employees for their selfless efforts which helped your Company to reach normalcy in operations within a few weeks of the lock-down.

The Company emphasises its People Development Processes and strives to upgrade skill sets to motivate

8. Cautionary Statement

Statements in this report describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed in this statement because of many factors like economic condition, availability of labour, price conditions, crude price, domestic and international market, changes in Government policies, tax regime, etc.



FINANCIAL STATEMENTS



Independent Auditors' Report

To
The Members of
Kanpur Plastipack Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of Kanpur Plastipack Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2021, the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of and Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit

of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impact of the COVID-19 Pandemic on the Company's ability to continue as a going concern:

The company is primarily engaged in exports and its receivables comprise of debts due from various overseas parties, including those based in the UK, Europe, Brazil, etc. Thus vis-à-vis the company, the impact of COVID-19 pandemic on recoverability of its receivables, realisability of stocks and future business prospects, on its ability to continue as a going concern required extensive verification procedures, analysis of the post Balance Sheet events, management discussions and judgements.

How our audit addressed the key audit matter

For the matter referred to above, our procedures included, among others, verification and recovery pattern of all material export receivables upto the date of completion of our audit, other relevant documentation/correspondence, including correspondence with Banks, customers, on-going/pending export orders and shipments to the various parties, assessing management's conclusions etc. in view of the laid down accounting and measurement principles.

2. Verification of inventories as at the close of the year:

In view of the fact that the second wave of the COVID-19 Pandemic had set in, the inventories as at the reporting date could not be verified physically. Thus recognition and valuation of inventories as at the reporting date required extensive verification procedures, analysis of the post Balance Sheet events, management discussions and judgements.

How our audit addressed the key audit matter

For the matter referred to above, our procedures included, among others, verification of inventory records for period falling after the close of the year and evidences of movement and sale of the same after the reporting date; verification of documents and records submitted to various authorities, including banks and revenue authorities;

checking of documents evidencing movement of material (both raw material as well as finished goods), discussions with management etc.

OTHER INFORMATION

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon. The other information included in the annual report, are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

After the Other Information is made available to us, if, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing,

as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate,

to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the

Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31st March, 2021 on its financial position in its standalone financial statements.
 - ii. The Company does not have any long term contracts requiring a provision for material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **RAJIV MEHROTRA & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REG.NO.002253C

RAJIV MEHROTRA
(PARTNER)
M.No.071428

Kanpur, 24th May, 2021

UDIN: 21071428AAAAAB8283

Annexure "A"

To The Independent Auditors' Report

(Referred to in Para 1 under 'Report on Other legal and Regulatory Requirements' section of our report of even date)

Re: Kanpur Plastipack Limited, we report that:

- (i) a. The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b. The company has a regular programme for physical verification of all assets over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, it is reasonable having regard to the size of the company and the nature of its assets.
- c. According to the information and explanations given to us and the records examined by us and based copies on the registered sale deeds/transfer deeds etc. evidencing title in immovable properties which are freehold, we report that the immovable properties capitalized in the books of account of the company are held in its name. The Original title deeds, being pledged against loans secured from the bank, were not in possession of the company and therefore could not be verified. However certified copies of the title deeds were verified.
- (ii) a. As explained to us, the inventory has been physically taken by the management during the year at various locations. However physical verification of inventory could not be undertaken as at the close of the year owing to the rise in second wave of the COVID-19 Pandemic. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification of stock verified.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records on the date of the physical verification.
- (iii) The company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In Our opinion and according to the information and explanations given us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any public deposits. As per the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or Tribunal.
- (vi) In our opinion and according to the information and explanations given to us, the company is liable for maintenance of cost records u/s 148 of the Companies Act, 2013 and the company is maintaining such records on a regular basis, as specified under the Companies (Cost Records & Audit) Rules 2014.
- (vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including investor education protection fund, income tax, sales tax, wealth tax, service tax, & customs duty and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, customs duty, VAT, cess and other material statutory dues were in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.
- (b) As per the information and explanations given to us and on the basis of the verification of the records of the company, the details of statutory dues which have not been deposited on account of disputes are as under:

Name of the Statute	Nature of dues	Pending Amount ₹ in Lakhs	Period to which amount relates	Forum where dispute is pending	Remarks
Central Sales Tax Act, 1956	Central Sales Tax	0.53	FY 2009-10	Allahabad High Court	The total demand raised was ₹3.52 lakhs. An amount of ₹2.99 lakhs stands deposited under protest.
Central Sales Tax Act, 1956	Central Sales Tax	0.23	FY 2010-11	Jt.Commissioner, Corporate Circle-1, Kanpur	The total demand raised was ₹2.69 lakhs. An amount of ₹2.45 lakhs stands deposited under protest. The matter has been decided in the company's favour and remanded to the Assessing Authority for consideration by the Commissioner (Appeals)
Income Tax	Return processed u/s 143(1) of the Act	166.79	AY 2018-19	Central Processing Centre	The company has moved an application u/s 154 of the Act against the said demand.

(viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank. The company has not issued debentures.

(ix) In our opinion and according to the information and explanations given to us, the company has applied term loans for the purposes for which the same were availed. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.

(x) According to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us, the company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 r.w. Schedule V of the Companies Act, 2013.

(xii) The company is not a Nidhi Company and hence the reporting under clause (xii) of CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the company has complied with

Sections 177 and Section 188 of the Companies Act, 2013, where applicable, for all transactions with related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate companies or persons connected with them and hence provisions of section 192 of Companies Act, 2013 are not applicable.

(xvi) In our opinion the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **RAJIV MEHROTRA & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REG.NO.002253C

RAJIV MEHROTRA
(PARTNER)
M.No.071428

Kanpur, 24th May, 2021

Annexure "B"

To The Independent Auditors' Report

(Referred to in Para 2(f) under 'Report on Other legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER SECTION 143(3)(I) OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to financial statements of Kanpur Plastipack Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

In our opinion, to the best of our information, and according to the explanations given to us, the company has, in all material aspects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls over financial reporting were operating effectively as at March 31st 2021, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in Guidance Note of Audit of International Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal

financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Financial Statements.

Meaning of Internal Financial Controls With Reference to Standalone Financial Statements

A company's internal financial controls with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Financial Statements may become

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **RAJIV MEHROTRA & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REG.NO.002253C

RAJIV MEHROTRA
(PARTNER)
M.No.071428

Kanpur, 24th May, 2021

Standalone Balance Sheet

as at 31st March, 2021

		₹ in Lacs	
PARTICULARS	NOTE NO.	AS AT 31 st March, 2021	AS AT 31 st March, 2020
ASSETS			
Non-Current Assets :			
Property, Plant and Equipment	4	18,489.64	16,384.84
Capital Work-in-Progress	4	230.02	48.38
Other Intangible Assets	4	–	–
		18,719.66	16,433.22
Other Financial Assets	5	357.84	343.71
Long Term Investments	5A	499.98	–
Other Non-Current Assets	6	5.45	51.00
		863.27	394.71
Current Assets :			
Inventories	7	10,261.86	4,799.92
Financial Assets :			
Current Investments	8	38.01	23.74
Trade Receivables	9	5,552.65	4,052.98
Cash and Cash Equivalents	10	284.12	2.44
Other Bank balances	11	96.22	121.42
Other Current Assets	12	1,836.00	790.95
		18,068.86	9,791.45
TOTAL ASSETS		37,651.79	26,619.38
EQUITY & LIABILITIES :			
Equity :			
Equity Share capital	13	1,431.96	1,431.96
Other Equity	14	14,317.19	11,424.84
		15,749.15	12,856.80
LIABILITIES :			
Non-Current liabilities			
Financial Liabilities :			
(i) Long Term Borrowings	15	5,810.73	5,538.44
(ii) Other Financial Liabilities	15	–	–
Long Term Provisions	16	671.79	580.92
Deferred Tax Liabilities	17	1,528.02	919.90
		8,010.54	7,039.26
Current Liabilities :			
Financial Liabilities :			
Borrowings	18	8,793.87	4,135.39
Trade Payables			
– Total Outstanding dues of Creditors other than micro and small enterprises	19	1,570.10	512.27
– Total Outstanding dues of micro and small enterprises	19	112.68	54.59
Provisions	20	426.57	330.15
Other Current Liabilities	21	2,988.88	1,690.92
		13,892.10	6,723.32
TOTAL EQUITY & LIABILITY		37,651.79	26,619.38
Significant Accounting Policies and Notes to Accounts	1-3		

The accompanying schedules form an integral part of the accounts

As per our Report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**

Chartered Accountants
Firm Regd. No.: 002253C

RAJIV MEHROTRA

Partner
Membership No.: 071428

Place: Kanpur
Date: 24.05.2021

VISHAL JAIN

Chief Financial Officer

ANKUR SRIVASTAVA

Company Secretary

For and on behalf of the Board of Directors

MANOJ AGARWAL

Managing Director
(DIN : 00474146)

SHASHANK AGARWAL

Deputy Managing Director
(DIN : 02790029)

Standalone Statement of Profit and Loss

for the year ended 31st March, 2021

₹ in Lacs

PARTICULARS	NOTE	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Revenue from operations	22	45,164.38	31,471.80
Other income	23	751.86	781.78
Total Income		45,916.24	32,253.58
Expenses			
Cost of materials consumed	24	23,925.66	16,563.47
Purchase of stock-in-trade	25	2,687.65	2,214.95
Changes in inventories of Finished Goods, Stock in Trade and Work in Progress	26	(1,440.36)	209.21
Employee benefit expense	27	4,077.97	3,462.43
Depreciation, Amortisation and Impairment expense	4	918.44	888.14
Other Expenses	28	10,416.60	7,230.94
Finance Costs	29	917.13	1,053.02
Total Expenses		41,503.09	31,622.16
Profit/(Loss) before Exceptional Items and Tax		4,413.15	631.42
Exceptional items		–	–
Profit/(Loss) before Tax		4,413.15	631.42
Income Tax Expense			
Current tax		771.07	105.52
Earlier Year Tax Adjustments		12.50	12.26
Deferred tax		608.12	20.60
Profit/(Loss) for the period from Continuing Operations		3,021.46	493.04
PROFIT/(LOSS) FOR THE YEAR		3,021.46	493.04
Other Comprehensive Income			
A. Items that may be reclassified to profit or loss		–	–
Income Tax relating to these Items		–	–
B. Items that will not be reclassified to profit or loss		43.23	(0.31)
(Gratuity Provision debited in P&L A/C)			
Income Tax relating to these Items		–	–
Other Comprehensive Income for the Year (Net of Tax)		43.23	(0.31)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,978.23	493.35
Earnings per Share			
Basic EPS		20.81	3.45
Diluted EPS		20.81	3.45

The accompanying schedules form an integral part of the accounts

As per our Report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**

Chartered Accountants
Firm Regd. No.: 002253C

RAJIV MEHROTRA

Partner
Membership No.: 071428

Place: Kanpur

Date: 24.05.2021

VISHAL JAIN

Chief Financial Officer

ANKUR SRIVASTAVA

Company Secretary

For and on behalf of the Board of Directors

MANOJ AGARWAL

Managing Director
(DIN : 00474146)

SHASHANK AGARWAL

Deputy Managing Director
(DIN : 02790029)

Standalone Cash Flow Statement

for the year ended 31st March, 2021

			₹ in Lacs
PARTICULARS	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020	
I) CASH FROM OPERATIONS			
A. PROFIT BEFORE TAX	4,413.15	631.42	
B. ADJUSTMENTS:			
Depreciation	918.44	888.14	
Provision for Gratuity under OCI	(43.23)	0.31	
Loss/(Profit) on disposal of PPE, intangible assets & non-current assets held for sale	11.38	13.29	
Interest Income	(115.78)	(68.60)	
Finance Costs	917.13	982.12	
Unrealised foreign exchange (gain)/loss (net)	–	230.94	
Loss/(Profit) on sale of mutual funds	(15.66)	(6.50)	
Gain on Revaluation of Investments	(1.76)	(1.92)	
Operating Profit Before working capital changes	6,083.67	2,669.20	
Adjustments for Changes in working Capital			
Decrease/(Increase) in Inventories	(5,461.94)	376.08	
Decrease/(Increase) in Trade Receivable	(1,499.68)	801.63	
Decrease/(Increase) in other Current Assets	(1,045.04)	356.19	
Decrease/(Increase) in other Non Current Assets	45.55	61.48	
Decrease/(Increase) in other Financial Assets	(14.13)	23.62	
Increase/(Decrease) in Trade Payables	1,115.92	(166.34)	
Decrease/(Increase) in other Other Bank Balances	25.20	3.46	
Increase/(Decrease) in Current Liabilities	1,297.96	32.78	
Increase/(Decrease) in Provisions	96.42	4.94	
Increase/(Decrease) in Long term Provisions	90.87	42.18	
Cash Generated from/(used) in Operations	734.80	4,205.22	
Less: Income Tax Paid (including TDS)	783.57	117.78	
NET CASH FROM OPERATIONS	(48.77)	4,087.43	
II) CASH FROM INVESTING ACTIVITIES			
Purchase of PPE & Intangible assets (incl. Capital WIP)	(3,235.68)	(911.50)	
Other Investments	–	–	
Investments in Mutual Funds (Net)	(496.82)	605.96	
Sale of PPE & Intangible assets	19.41	152.49	
Interest Received	115.78	68.60	
NET CASH FROM/USED IN INVESTMENT ACTIVITIES	(3,597.31)	(84.45)	

Standalone Cash Flow Statement

for the year ended 31st March, 2021

₹ in Lacs

PARTICULARS	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
III) CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	–	–
Net Increase/(Decrease) in long term borrowings	272.29	(595.20)
Repayment of long term borrowings	–	–
Net Increase/(Decrease) in short term borrowings	4,658.48	(2,134.82)
Payment of dividend including dividend distribution tax	(85.88)	(310.58)
Finance Costs	(917.13)	(982.12)
NET CASH FROM FINANCING ACTIVITIES	3,927.76	(4,022.72)
Net Increase in cash and cash equivalents	281.68	(19.74)
Cash and Cash equivalents as at the beginning of the year	2.44	22.18
Cash and Cash equivalents as at the end of the Period	284.12	2.44

Notes :

- The Cash Flow Statement has been prepared in accordance with the "Indirect Method" specified in the Ind-AS-7- "Statement of Cash Flows"
- Cash & Cash equivalents comprise cash balances and balances with banks, including current deposit account and short term fixed deposits having original maturity period of three months only.

The accompanying schedules form an integral part of the accounts

As per our Report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**

Chartered Accountants
Firm Regd. No.: 002253C

RAJIV MEHROTRA

Partner
Membership No.: 071428

Place: Kanpur

Date: 24.05.2021

VISHAL JAIN

Chief Financial Officer

ANKUR SRIVASTAVA

Company Secretary

For and on behalf of the Board of Directors

MANOJ AGARWAL

Managing Director
(DIN : 00474146)

SHASHANK AGARWAL

Deputy Managing Director
(DIN : 02790029)

Standalone Statement of Changes In Equity

for the period ended 31st March, 2021

A. EQUITY SHARE CAPITAL

	₹ in Lacs	
Balance at the beginning of the reporting period	Nos.	Amount
As at March 31 st 2019	14,312,564	1,431.96
Add: Final call amount called up on shares	—	—
As at March 31 st 2020	14,312,564	1,431.96
Add: Final call amount called up on shares	—	—
As at March 31 st 2021	14,312,564	1,431.96

B. OTHER EQUITY

₹ in Lacs					
Particulars	Reserves and Surplus				TOTAL
	Capital Redemption Reserve	Securities Premium Reserve	General Reserves	Retained Earnings	
As at March 31 st 2019	200.00	1,507.08	124.33	9,410.66	11,242.07
Profit for the Year	–	–	–	493.04	493.04
Other Comprehensive Income For the Year	–	–	–	0.31	0.31
Total Comprehensive Income For the Year	–	–	–	493.35	493.35
Dividends					
Interim dividend	–	–	–	–	–
Final Dividend	–	–	–	(257.63)	(257.63)
Corporate Dividend Tax	–	–	–	(52.95)	(52.95)
Transfer from retained earnings to general reserve	–	–	–	–	–
Addition on issue of Equity	–	–	–	–	–
Transfer from General Reserve to Capital Redemption Reserve	–	–	–	–	–
Premium Received During the Year	–	–	–	–	–
Expense Incurred on Right Issue	–	–	–	–	–
As at March 31 st 2020	200.00	1,507.08	124.33	9,593.43	11,424.84
Profit for the Year	–	–	–	3021.46	3,021.46
Other Comprehensive Income For the Year	–	–	–	(43.23)	(43.23)
Total Comprehensive Income For the Year	–	–	–	2978.23	2,978.23
Dividends					
Interim dividend	–	–	–	–	–
Final Dividend	–	–	–	(85.88)	(85.88)
Corporate Dividend Tax	–	–	–	0.00	0.00
Transfer from retained earnings to general reserve	–	–	–	–	–
Addition on issue of Equity	–	–	–	–	–
Transfer from General Reserve to Capital Redemption Reserve	–	–	–	–	–
Premium Received During the Year	–	–	–	–	–
Expense Incurred on Right Issue	–	–	–	–	–
As at March 31 st 2021	200.00	1,507.08	124.33	12,485.78	14,317.19

Standalone Statement of Changes In Equity

for the period ended 31st March, 2021

NATURE AND PURPOSE OF RESERVES

Capital Redemption Reserve- As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.

Securities Premium Account- The same is created when Shares/securities are issued by the company at a value which is higher than the face value/nominal value of such shares/securities. The amount representing such excess i.e the premium is transferred to the Securities Premium Account in accordance with the provisions of Section 52 of the Companies Act, 2013. The balance in this reserve is utilised in accordance with the provisions of the said Section 52 of the Act.

For and on behalf of the Board of Directors

For **RAJIV MEHROTRA & ASSOCIATES**

Chartered Accountants
Firm Regd. No.: 002253C

RAJIV MEHROTRA

Partner
Membership No.: 071428

Place: Kanpur

Date: 24.05.2021

VISHAL JAIN

Chief Financial Officer

ANKUR SRIVASTAVA

Company Secretary

MANOJ AGARWAL

Managing Director
(DIN : 00474146)

SHASHANK AGARWAL

Deputy Managing Director
(DIN : 02790029)

Notes Forming Integral Part of the Standalone Balance Sheet

as at 31st March, 2021

NOTE NO.1 : COMPANY OVERVIEW

Kanpur Plastipack Limited ('KPL' or 'The Company') is a Public Limited company, domiciled in India and incorporated on July 26th, 1971 under the provisions of the Companies Act, 1956 (Now Companies Act, 2013) and having its registered office at D-19-20, Panki Industrial Area Kanpur, Uttar Pradesh-208022, India.

The company is a two star export house, engaged in manufacturing of HDPE/PP Woven Sacks, PP Box Bags, Flexible Intermediate Bulk Containers (FIBC's), Fabrics and High Tenacity PP High Tenacity Multi Filament Yarn (MFY). The company is also a Consignment Stockiest of M/s Indian Oil Corporation Limited and owns and operates solar power generation facility at A-1/A-2, Panki Industrial Area, Kanpur.

These Financial Statements were authorized by the Board of Directors for issue in accordance with the Resolution passed on May 24th, 2021.

NOTE NO.2 : SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance: These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time.

2.2 Basis of Preparation and Presentation: The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended; and the other relevant provisions of the Acts and Rules thereunder.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that are measured at fair value
- ii) Defined benefit plans-plan assets/liabilities measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to nearest lakhs (₹00,000), except where otherwise indicated.

2.3 CURRENT V. NON-CURRENT CLASSIFICATION:

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

(a) An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for purpose of trading.
- Expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

(b) A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its general operating cycle.

2.4 Use of Estimates, Assumptions and Judgements:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the year. Differences between actual results and estimates are recognised in the year in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis.

Judgments:

In the process of applying the Company's accounting policies, management has made the following judgments, which have a significant effect on the amounts recognised in the financial statements:

Notes Forming Integral Part of the Standalone Balance Sheet

as at 31st March, 2021

i. Recoverability of Debts/advances

The company has several debts outstanding in the ordinary course of business, some of which remain outstanding beyond their due date. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such debts/ advances to be good and recoverable and classified the same as Current Assets.

ii. Estimates:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

iii. Taxes, including Evaluation of recoverability of Deferred tax assets and liabilities:

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the domicile of the company.

iv. Gratuity benefit:

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuation. An actuarial

valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases.

v. Fair value measurement of financial instrument:

The fair value of financial assets and financial liabilities recorded in the balance sheet has been arrived at on the basis of the quoted prices in active markets, wherever available. For such financial assets and financial liabilities which cannot be measured based on quoted prices in active markets, their fair value is measured using other accepted valuation techniques. Changes in assumptions used in applying these methods could affect the reported fair value of financial instruments.

vi. Warranty provision/Quality Claim

Provision for quality claims is determined based on the historical percentage of claims' expense to sales for the same types of goods for which the claim is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the expected claim expense to be accrued. It is adjusted to account for unusual factors, if any. It is very unlikely that actual claims will exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

2.5 Property, Plant and Equipment

- i) Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- ii) The initial cost of an asset comprises its purchase price (including import duties and non-refundable taxes, if any), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).
- iii) Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- iv) Spare parts which meet the definition of Property, plant and equipment are capitalized as Property,

Notes Forming Integral Part of the Standalone Balance Sheet

as at 31st March, 2021

plant and equipment. In other cases, the spare parts is inventorised on procurement and charged to Statement of Profit and Loss on consumption.

- v) An item of Property, plant and equipment and any significant part initially recognised separately as part of Property, plant and equipment is de-recognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the assets is included in the Statement of Profit and Loss on consumption.
- vi) The residual value and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.
- vii) In the earlier years, the Company had elected to use exemption available under Ind AS 101 to continue with the carrying value for all its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to Ind-ASs, measured as per previous GAAP and use that as its deemed cost as at the transition date.
- viii) Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.
- ix) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The useful lives for various categories of property, plant and equipment are as given below:
- x) Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013.

2.6 Inventories:

- i. **Basis of Valuation:** Inventories are stated at lower of cost and net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.
- ii. **Method of Valuation-** Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis.
- iii. The inventories of finished goods, which were in transit or lying at port as at the reporting period have been valued at lower of cost and market value. The cost has been worked out as per the Retail Method.

The inventories have been physically taken by the management periodically during the year. However the year end inventories could not be physically verified owing to the company's internal decision to minimize contact, in view of the second wave of the COVID-19 Pandemic.

2.7 Revenue Recognition:

The company derives its revenues primarily from sale of merchandise and C&F commission agency services.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding central taxes or duties collected on behalf of the Government. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are net of returns, trade discounts, rebates, but including Goods and Services Tax collected on behalf of the Government. However the GST collected and paid has been shown as a deduction under the heading 'Revenue from Operations' and only the net Revenue from Operations has been stated in the Statement of Profit and Loss.

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as

Sl. No.	Description	Useful life (in years)
1.	Office Buildings	60 years
2.	Factory Buildings	30 years
3.	Plant and equipment qualifying as Continuous Process Plant	25 years
4.	Other Plant and Equipment for three shift working (Useful life is estimated for a three shift working)	25 years
5.	Other Equipment	7.5 years
6.	Furniture and fittings	10 years
7.	Office equipment	05 years
8.	Vehicles	08 years
9.	Computers and peripherals	03 years

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principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognised:

a) Sale of goods:

- a. Inland sales have been accounted for at the time of dispatch of goods from the factory.
- b. Export Sales have been recognized only after the company loses control over the material i.e. once the goods have been shipped on board.
- c. Sales have been recorded net of rebates and trade discounts but are grossed up for Goods and Services Tax collected thereon.

b) Commission Income

Commission income is recognized to the extent it is probable that economic benefits will flow to the company and the revenue can be reliably measured and the company has contractual right to such revenue.

c) Interest Income

Interest Income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates and is disclosed in "other income".

d) Export Incentives:

The revenue in respect of export incentives has been recognized to the extent it is probable that economic benefits will flow to the company and the incentive value can be reliably measured.

2.8 Employee Benefits:

Short term employee benefits

All employee benefits payable/available within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages and bonus, etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the employees and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees' salary. The Company contributes a part of the contributions to the Government administered Provident/Pension Fund. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable through the provident fund scheme as an expense, when an employee renders related services.

Other long term employee benefits

The company does not have any structured Employee's Gratuity Fund Scheme. However the company provides for its gratuity liability as a defined benefit plan. The liabilities with respect to Gratuity Plan are determined by actuarial valuation. The Company does not make any contributions and meets its gratuity liability from its own sources as and when the claims arise.

2.9 Government Grants:

- Government Grants are recognised at their realizable value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.
- When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

The company is an exporter and receives grants in the form of Duty Drawbacks, Import entitlement etc. the same are recognized at realizable value only after the primary conditions of the respective schemes have been complied.

2.10 Borrowing Costs

- Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds.
- Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get

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ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowings costs are charged to the Statement of Profit and Loss.

2.11 Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (₹) which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the prescribed exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the period in which they arise.

2.12 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.13 Offsetting of financial Assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.14 Taxes

Tax expense for the year comprises of current tax and deferred tax.

a) Current Tax

- (i) Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.
- (ii) Current income tax relating to item recognised outside the Statement of Profit and Loss is recognised outside Profit or Loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other

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comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or direct in equity.

2.15 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share consolidation, without a corresponding change in resources, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares, if any.

The partly paid up equity shares, if any, are treated as potential equity shares in accordance with Ind-AS 33, for the period for which the same remained partly paid up.

2.16 Provisions, Contingent Liabilities and Commitments

- (i) Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- (ii) The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.
- (iii) If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in provision due to the passage of time is recognized as a finance cost.
- (iv) Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

- (v) Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

2.17 Several debit and credit balances are subject to confirmation by parties.

2.18 Leases- A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

In respect of the Operating Lease which are of a long term nature or of a significant value, the Company recognises right-of-use the asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the company's depreciation policy for Property, Plant and Equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss. None of the lease arrangements of the company qualified for the above said treatment owing to the fact that the same were of a short term nature and/or of a value which was not considered material.

2.19 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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- (i) In the principal market for asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured in accordance with Ind-AS 113, using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole at the end of each reporting period).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The quantitative disclosures of fair value measurement hierarchy are contained in Note No.37.

NOTE NO.3 : RECENT PRONOUNCEMENTS

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes Forming Integral Part of the Standalone Balance Sheet

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Note 4 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Lease Hold Land	Freehold Land	Buildings	Vehicles	Furniture & Fittings	Office Equipment	Plant & Machinery	Grand Total	Intangible Assets	Capital Work In Progress
AT COST										
Cost as at 1 st April, 2019	468.56	698.83	6,065.57	480.59	220.55	405.97	12,064.03	20,404.10	73.88	190.55
Additions	–	–	224.66	37.50	25.57	18.13	747.81	1,053.68	–	82.48
Disposals/Transfer	83.72	–	0.12	53.14	–	–	154.36	291.35	–	224.65
Cost as at 1 st April, 2020	384.84	698.83	6,290.11	464.95	246.12	424.10	12,657.48	21,166.43	73.88	48.38
Additions	–	29.58	58.92	47.02	90.06	50.18	2,778.27	3,054.03	–	240.56
Disposals/Transfer	–	–	–	–	–	0.04	48.03	48.08	–	58.92
As at 31 st March, 2021	384.84	728.41	6,349.03	511.97	336.18	474.24	15,387.72	24,172.38	73.88	230.02
Depreciation as at April 01, 2020	64.09	–	809.76	116.30	91.64	309.82	3,389.98	4,781.59	73.88	–
Charge for the Year	4.87	–	197.58	54.15	23.73	58.44	579.68	918.44	–	–
Transfers	–	–	–	–	–	0.00	17.29	17.29	–	–
As at 31 st March, 2021	68.96	–	1,007.34	170.45	115.37	368.26	3,952.37	5,682.74	73.88	–
NET CARRYING AMOUNT										
As at 31 st March, 2020	320.75	698.83	5,480.35	348.65	154.48	114.28	9,267.50	16,384.84	–	48.38
As at 31 st March, 2021	315.88	728.41	5,341.69	341.52	220.81	105.98	11,435.35	18,489.64	–	230.02

(a) Details of property, plant and equipment pledged against borrowings is presented in note 15 & 18

Notes Forming Integral Part of the Standalone Balance Sheet

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NOTE - 5 : OTHER FINANCIAL ASSETS

₹ in Lacs		
PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
(a) Secured, Considered Good :		
(b) Unsecured, Considered Good		
(i) Other Deposits		
– Stamp Duty paid Under Protest	29.07	29.07
– Interest accrued on Security deposit.	6.00	7.10
– Fixed Deposits with banks having maturity period of more than 12 months	49.05	54.76
– Security Deposits to Govt. & Others	273.72	252.78
	357.84	343.71
(c) Doubtful	–	–
	357.84	343.71

The Fixed Deposits with Banks are in the nature of margin money towards LC and BG Limits

NOTE - 5A : LONG TERM INVESTMENTS

(Unquoted Equity Shares, Valued at Cost)

₹ in Lacs		
PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
Investment in Other Companies	299.98	–
(1719061 (PY-Nil) Eq. Shares of ₹10/- each fully paid up)		
Investment in Subsidiary	200.00	–
(2000000 (PY-Nil) Eq. Shares of ₹10/- each fully paid up)		
	499.98	–

Notes:

Investment In Subsidiary

The details of investment in Subsidiary are as under:

Name	No. of Shares	% Holding
Bright Choice Ventures (P) Ltd.	2,000,000	100%

The Subsidiary was incorporated on 02/01/2021.

Investment in the subsidiary is valued at Cost.

NOTE - 6 : OTHER NON-CURRENT ASSETS

(Unsecured , Considered Good)

₹ in Lacs		
PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
Recoverable from UPSIDC	–	45.55
VAT Recoverable (CST under protest)	5.45	5.45
	5.45	51.00

Notes Forming Integral Part of the Standalone Balance Sheet

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CURRENT ASSETS :

NOTE - 7 : INVENTORIES

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
1 Raw Material	3,107.69	1,190.89
2 Raw Material (in Transit)	2,219.54	201.25
3 Goods -in-Process	2,619.04	1,892.92
4 Finished Goods (including goods lying at port)	1,852.12	1,137.88
5 Stores & Spares/ Others	463.47	376.98
	10,261.86	4,799.92

NOTE - 8 : CURRENT INVESTMENTS (At Market Value)

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
Investment in Mutual Funds (Cost as at 31/03/2021 ₹ 32.50 Lacs (PY ₹ 20.00 Lacs)	38.01	23.74
	38.01	23.74

NOTE - 9 : TRADE RECEIVABLES

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
- Secured trade receivables- considered Good	-	-
- Un-Secured trade receivables- considered good	5,552.65	3,709.04
- Trade Receivables which have significant increase in credit risk	-	343.94
- Trade Receivables - Credit impaired	-	-
	5,552.65	4,052.98

NOTE - 10 : CASH AND CASH EQUIVALENTS

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
Cash in Hand	5.03	2.14
Balances with Banks:		
Current Accounts	279.09	0.30
	284.12	2.44

Notes Forming Integral Part of the Standalone Balance Sheet

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NOTE - 11 : OTHER BANK BALANCES

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
Earmarked balances with banks		
Unclaimed dividend with bank	51.11	54.96
FDRs held as Margin Money with Banks	45.11	66.46
	96.22	121.42

The Fixed Deposits with Banks are in the nature of margin money towards LC and BG Limits

NOTE - 12 : Other Current Assets :

SHORT-TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
(a) Income Tax Refund Receivable	62.60	167.18
(b) Others loans & advances considered good		
1 Advance to Staff	10.76	26.72
2 Pre-paid Expenses	157.89	113.85
3 Advances to Suppliers & Others	922.97	130.08
4 Interest Recoverable under TUF Scheme / others	7.31	9.11
5 Excise Duty/Service Tax Refund/Custom Duty Recoverable	1.88	–
6 GST Recoverable		
(i) GST Refundable	250.09	8.91
(ii) ITC Receivable	422.50	335.10
	1,836.00	790.95

No amounts are due from any of the Directors or other officers of the Company.

EQUITY & LIABILITIES :

NOTE - 13 : EQUITY SHARE CAPITAL

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
1 Authorised Capital		
200 Lakhs (PY- 200 Lakhs) Equity Shares of ₹ 10/- each	2,000.00	2,000.00
20 Lakhs (PY- 20 Lakhs) Preference Shares of ₹ 10/- each	200.00	200.00
	2,200.00	2,200.00
A. Issued, Subscribed and Paid-up Capital		
14312564 Equity Shares of ₹ 10/- each each fully called and paid up		
(i) 14312564 (Previous years 14312564) Equity Shares of ₹ 10/- each each fully paid up	1,431.26	1,431.26
(ii) Share Forfeiture Account	0.70	0.70
(14081 Shares called up ₹ 10/- each and paid up ₹ 5/- each)		
	1,431.96	1,431.96

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as at 31st March, 2021

NOTE - 13 : EQUITY SHARE CAPITAL (Contd..)

B Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees only in proportion to the paid up value of the equity shares.

The dividend if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

C Reconciliation of number of equity shares outstanding as at the beginning and end of the year:

PARTICULARS	Number of Shares	₹ in Lacs
		Amount ₹ In Lakhs
Outstanding as at 31 st March, 2019	14,312,564	1,431.26
Equity Shares Issued during Financial Year ended 31 st March, 2020 for Cash consideration	–	–
Outstanding as at 31 st March, 2020	14,312,564	1,431.26
Equity Shares Issued during Financial Year ended 31 st March, 2021 for Cash consideration	–	–
Outstanding as at 31 st March, 2021	14,312,564	1,431.26

D. Details of shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):

PARTICULARS	As at 31 st March, 2021		As at 31 st March, 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Mahesh Swarup Agarwal	2,542,401	17.76%	2,542,401	17.76%
Usha Agarwal	2,009,866	14.04%	2,008,866	14.04%
Manoj Agarwal	1,356,523	9.48%	1,351,523	9.44%
Shashank Agarwal	1,090,564	7.62%	1,090,564	7.62%
MSA Investment & Trading Company Pvt. Ltd.	948,126	6.62%	937,876	6.55%
KSM Exports Limited	753,434	5.26%	753,434	5.26%

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NOTE - 14 : OTHER EQUITY

₹ in Lacs		
PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
A. SECURITIES PREMIUM ACCOUNT		
Balance at the beginning of the year	1,507.08	1,507.08
Add: Premium Received during the year	–	–
Less: Deduction/Transfer	–	–
Balance as at the end of the year	1,507.08	1,507.08
B. CAPITAL REDEMPTION RESERVE		
Balance at the beginning of the year	200.00	200.00
Add: Transfer from Retained Earnings	–	–
Balance as at the end of the year	200.00	200.00
C. GENERAL RESERVE		
Balance at the beginning of the year	124.33	124.33
Add: Transfer from Retained Earnings	–	–
Less: Transferred to Capital Redemption Reserve	–	–
Balance as at the end of the year	124.33	124.33
D. RETAINED EARNINGS		
Balance at the beginning of the year	9,593.43	9,410.66
Add: Net Profit for the Year	2,978.23	493.35
	12,571.66	9,904.01
Less:		
(i) Transferred To General Reserves	–	–
(ii) Final Dividend on Equity Shares paid during the Year (Amount per share ₹ 0.60/- , Previous Year ₹ 1.80 /- per Equity Share)	85.88	257.63
(iii) Tax on Dividend on Equity Shares	–	52.95
	85.88	310.58
Balance as at the end of the period	12,485.78	9,593.43
	14,317.19	11,424.84

NOTE - 15 : LONG TERM BORROWINGS :

₹ in Lacs		
PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
Term Loans from banks (Secured)	5,786.31	5,468.05
Vehicle Finance under Hire purchase	24.42	70.39
	5,810.73	5,538.44

15.1 Term Loans from State Bank Of India in INR , Balance Outstanding is (₹3093.13 Lakhs, (Previous Year ₹686.03 lakhs).

Foreign Currency Term Loan (USD) from State Bank of India, Balance NIL (PY ₹2863.86 lakhs)

15.2 Term Loans from HDFC Bank Ltd. INR , Balance Outstanding is (₹ in Lacs) 2914.44, (PY ₹681.65 lakhs)

Foreign Currency Term Loan (USD) from HDFC Bank Ltd., Balance NIL (PY ₹1923.24 Lakhs)

Notes Forming Integral Part of the Standalone Balance Sheet

as at 31st March, 2021

NOTE - 15 : LONG TERM BORROWINGS : (Contd..)

15.3 Term Loans from AXIS Bank Ltd. INR , Balance Outstanding is (₹ in Lacs) 987.74, (PY- NIL)

15.4 The above Term Loans are secured by hypothecation of stocks of Raw Materials, Goods in Process, Finished Goods, Spares, Book Debts, Export Documents and mortgage of the land and building of the Company situated at Fatehpur Roshnai, Dist Akbarpur, Gajner Road; at D-19 and D-20, Site I Panki Industrial Area, Kanpur and at A1-A2, Site 5 (Udyog Kunj), Panki Industrial Area, Kanpur

15.5 The above Term Loans have been guaranteed (personal) by Chairman Emeritus, Managing Director and Deputy Managing Director of the Company.

15.6 Vehicle Finance under Hire purchase is Secured by Hypothecation of Vehicles of the company and are repayable over a period of 5 Years.

The installments due in the succeeding twelve months in respect of the above loans have been classified under Current Liabilities in Note No.21, as 'Current Maturities of Debts'.

NOTE - 16 : LONG TERM PROVISIONS

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2021	As at 31 st March, 2020
Provisions for Employee Benefit Obligations	671.79	580.92
	671.79	580.92

NOTE - 17 : DEFFERED TAX LIABILITY (NET)

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2021	As at 31 st March, 2020
1 Deferred Tax Liabilities		
Depreciation and amortisation	1,923.16	1,582.45
2 Deferred Tax Assets		
Employee benefits	(296.59)	(283.37)
MAT Credit Entitlement	(98.55)	(379.18)
	1,528.02	919.90

Reconciliation of tax expense and accounting profit multiplies by the domestic tax rate for 31 March 2021 and 31 March 2020

PARTICULARS	₹ in Lacs	
	For the Year Ended	
	31 st March, 2021	31 st March, 2020
Accounting profit before Income Tax	4,369.92	631.73
Applicable Tax Rate	29.12%	16.69%
Computed Tax Expense	1,272.52	105.45
Adjustment in respect of current income tax of previous years	12.50	12.26
Impact of change in tax rate for calculation of DTA/DTL	60.73	20.67
Utilisation of unrecognised unabsorbed depreciation and carried forward losses	21.35	—
Effect of Non deductible adjustments for tax purposes	24.58	—
Income Tax at effective tax rate	1,391.68	138.38

Notes Forming Integral Part of the Standalone Balance Sheet

as at 31st March, 2021

NOTE - 18 : Current Liabilities :

Financial Liabilities

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2021	As at 31 st March, 2020
Borrowings from Bank		
1 Working Capital Loans in INR (Refer to Notes 18.1 to 18.6 below)	8,793.87	4,135.39
	8,793.87	4,135.39

18.1 It includes Bill Purchase Account of ₹ 2291.41 Lacs. (Previous Year ₹ 1277.55 Lacs)

18.2 Working Capital Loans from State Bank of India in INR in Cash Credit (Hypo) , Export Packing Credit & Cash Credit (Book Debts), SBI COVID Loan , Balance Outstanding (₹ in Lacs) 5787.43 (previous year (₹ in Lacs) 2487.44).

18.3 Working Capital Loans from HDFC Bank Limited in INR in Cash Credit (Hypo) , Export Packing Credit, Balance Outstanding (₹ in Lacs) ₹ 492.85 (previous year (₹ in Lacs) ₹ 158.20).

18.4 Working Capital Loans in INR from State Bank of India in Cash Credit Limits under E-DFS Scheme , Balance Outstanding of (₹ in Lacs) 222.25 (previous year (₹ in Lacs) 212.20) Consignment Stockist (IOCL) Division.

18.5 The above Working Capital Loans are secured by hypothecation of stocks of Raw Materials, Goods in Process, Finished Goods, Spares, Book Debts, Export Documents and assets of the company as stated in Note No.15 above.

18.6 The above Working Capital Loans have been guaranteed (Personal) by Chairman Emeritus, Managing Director and Deputy Managing Director.

NOTE - 19 : TRADE PAYABLES

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2021	As at 31 st March, 2020
1 Trade Payable for purchase of Raw Material & Store, Spares (Refer Note 19.1 Below)	1,004.47	175.36
2 Trade Payable for Services Received	678.31	391.50
	1,682.78	566.86
As regards the disclosure requirements under the Micro, Small & Medium Enterprises Development Act, 2006, and Schedule III of the Companies Act, 2013, it may be mentioned that the company had called for information and details from its 'Suppliers' regarding their registration status and classification under the Act as Medium, Small or Micro enterprises. Based on the information received upto the date of these Financial Statements, the Trade Payables are classified as under:		
Amount due to Suppliers being Micro and Small Enterprises	112.68	54.59
Amount due to Others	1,570.10	512.27
	1,682.78	566.86

19.1 (Including (₹ in Lacs) 201.51 (Previous Year ₹ 17.27 in Lacs) of Consignment Stockist (IOCL) Division.

Notes Forming Integral Part of the Standalone Balance Sheet

as at 31st March, 2021

NOTE - 20 : PROVISIONS

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
1 Provision for Quality Claim	57.48	9.92
2 Employee Benefits (Leave Wages/Bonus)	369.09	320.23
	426.57	330.15

NOTE - 21 : OTHER CURRENT LIABILITIES

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
Current Maturities of :		
1 Long Term Debt	1,209.00	989.00
2 Finance Lease Obligations on Vehicle	29.79	47.51
Others:		
1 Provision of Income Tax (Net of Prepaid Taxes)	73.76	–
2 Advances From Customers & Others	434.68	140.03
3 TDS Payable	32.75	22.03
4 Unpaid Dividend	51.11	54.96
5 Unpaid-salary & wages	242.43	185.09
6 Payables in respect of Capital Goods	26.15	17.84
7 Retention Money From Supplier	147.96	1.96
8 Outstanding Liabilities	741.25	232.50
	2,988.88	1,690.92

Notes Forming Integral Part of the Standalone Profit and Loss Account

for the year ended 31st March, 2021

NOTE - 22 : REVENUE FROM OPERATIONS

PARTICULARS	₹ in Lacs	
	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
(I) Sale of Products		
(i) Plastic Products (Indigenous)	7,875.04	6,363.19
(ii) Plastic Products (Export)	34,601.58	23,137.71
(iii) By-Products	785.13	601.10
	43,261.75	30,102.00
(II) Sale - Trading of Stock -in-Trade		
(i) Plastic Granules/Others	2,900.61	2,343.49
(ii) Merchant Exports	229.61	–
	3,130.22	2,343.49
(III) Other Operating Revenue		
(i) Commission received (on Consignment Stock sales IOCL)	91.47	58.51
(ii) Sale of scrap	103.17	91.25
	194.64	149.76
Total Revenue From Operations (I+II+III)	46,586.61	32,595.25
Less : Goods & Service Tax	1,422.23	1,123.45
	45,164.38	31,471.80

NOTE - 23 : OTHER INCOME

PARTICULARS	₹ in Lacs	
	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
(i) Export Incentives (Focus Market/Product scheme)	27.35	434.23
(ii) Miscellaneous income	7.73	9.01
(iii) Interest Received	115.78	68.60
(iv) Net Gain on Foreign Exchange Fluctuation	583.58	261.52
(v) Profit on Sale of Investment	15.66	6.50
(vi) Gain on revaluation of Investments	1.76	1.92
	751.86	781.78

NOTE - 24 : COST OF THE MATERIALS CONSUMED

PARTICULARS	₹ in Lacs	
	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Opening Stock :		
Raw Materials	1,190.89	1,490.87
Add : Purchases	25,842.46	16,263.49
Less : Closing Stock	3,107.69	1,190.89
Materials Consumed	23,925.66	16,563.47

Notes Forming Integral Part of the Standalone Profit and Loss Account

for the year ended 31st March, 2021

NOTE - 25 : PURCHASE OF STOCK IN TRADE

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Purchase of Plastic Granules / Others	2,687.65	2,214.95
	2,687.65	2,214.95

NOTE - 26 : CHANGES IN INVENTORIES

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Opening Stock :		
Goods in Process	1,892.92	2,497.21
Finished Goods	1,137.88	742.80
Less : Closing Stock		
Goods in Process	2,619.04	1,892.92
Finished Goods (Includes Goods in Transit)	1,852.12	1,137.88
(Increase) Decrease in Stock	(1,440.36)	209.21

NOTE - 27 : EMPLOYEE BENEFITS EXPENSES

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
(i) Salaries, Wages, Bonus & Others	3,077.70	2,803.12
(ii) Contribution to Provident and other Funds	179.12	171.84
(iii) Staff welfare expenses	377.87	297.75
(iv) Directors' Remuneration	214.76	184.72
(v) Directors' Commission	228.52	5.00
	4,077.97	3,462.43

NOTE - 28 : OTHER EXPENSES

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Stores and Spares Consumed	819.55	771.55
Power and Fuel	2,258.81	1,794.40
Other Direct Expenses	3,254.03	2,350.08
Repairs and Maintenance		
– Building	118.47	76.11
– Plant and Machinery	65.31	70.92
– Others	42.02	32.44
Advertisement and Publicity	5.96	8.22
Traveling and Conveyance		
– Directors' Traveling including Foreign Travel	5.02	60.08
– Sales Staff	1.22	29.55
– Other	10.68	15.13

Notes Forming Integral Part of the Standalone Profit and Loss Account

for the year ended 31st March, 2021

NOTE - 28 : OTHER EXPENSES (Contd..)

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Transportation Expenses	173.26	75.81
Selling and Promotional Expenses	103.18	92.30
Freight and Forwarding	2,449.76	1,287.97
Claims and Discount	111.81	57.13
Bad Trade Receivables/Advances Written Off	393.82	25.42
Legal and Professional	127.98	98.90
Meeting, Recruitment & Training Expenses	16.98	11.29
Printing and Stationery/ Books and Periodicals	31.14	28.75
Vehicle Maintenance	30.80	34.74
Rent	22.79	29.69
Rates and taxes	32.82	28.52
Corporate Social Responsibility	50.27	46.90
Communication Expenses	37.71	37.25
Auditors' Remuneration		
Audit Fees	7.00	4.00
Tax & GST Audit Fees	2.00	0.50
Services for Tax matter	1.30	1.77
Subscription and Memberships	7.56	5.68
Insurance Expenses	169.69	106.21
Directors' Sitting Fees	8.37	7.55
Miscellaneous Expenses	45.91	28.79
Loss on disposal of Fixed Assets	11.38	13.29
	10,416.60	7,230.94

NOTE - 29 : FINANCE COSTS

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
(i) Interest to Bank & others	769.74	930.92
(ii) Bank Charges	147.39	122.10
	917.13	1,053.02

Notes Forming Integral Part of the Standalone Financial Statements

for the year ended 31st March, 2021

NOTE - 30 : DIVIDEND

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognised directly in equity.

The dividends paid in the years reported in these financial statements are duly disclosed in the Statement of changes in Equity of the year in which payment has been made, irrespective of the year in which the same were proposed.

Dividends paid during the year ended March 31, 2021 include an amount of ₹0.60/- per equity share towards final dividend for the year ended March 31, 2020.

Dividends declared by the Company are based on the profit available for distribution. The Board of Directors of the Company have proposed a final dividend of ₹1.80/- per share in respect of the year ended March 31, 2021. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 257.63 Lakhs

NOTE 31 : SEGMENT REPORTING

The segment reporting of the Company has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015). For management purposes, the company is organized into business segment based on its products and services and has three reportable segments as follows:

a) Operating Segments

- Plastic Division : Domestic and Export sale of manufactured and traded plastic products
- Consignment Stockiest : Consignment Stockiest for Indian Oil Corporation Ltd.
- Solar Power Division : Generation and supply of power. The same is consumed by the company in its manufacturing operations.

b) Summary of Segmental Information

₹ in Lacs

PARTICULARS	Plastic Division		Consignment Stockiest		Solar Power Division		Total Operations	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
1. Segment Revenue	45,072.91	31,413.29	91.47	58.51	40.84	34.95	45,205.22	31,506.75
Less: Inter Segment Revenue	-	-	-	-	-	-	-	-
Net Sales/Income from Operations	45,072.91	31,413.29	91.47	58.51	40.84	34.95	45,205.22	31,506.75
2. Other Revenue	679.80	721.01	72.06	60.77	-	-	751.86	781.78
Total Income	45,752.71	32,134.30	163.53	119.28	40.84	34.95	45,957.08	32,288.53
2. Segment Results (Profit Before Tax and Interest)	5,179.75	1,588.56	126.87	76.16	23.66	19.72	5,330.28	1,684.45
Less : Unallocated Interest Finance Charges	895.14	1,023.17	21.99	29.10	-	0.75	917.13	1,053.02
Total Profit before tax	4284.61	565.39	104.88	47.06	23.66	18.97	4413.15	631.42
3. Capital Employed (Segment Assets - Segment Liabilities)	15,221.82	12,475.44	248.47	89.09	278.86	292.27	15,749.15	12,856.80
4. Segment Assets	37,371.81	26,325.97	-	-	279.98	293.41	37,651.79	26,619.38
5. Depreciation	905.02	875.31	-	-	13.43	12.83	918.44	888.14

Notes Forming Integral Part of the Standalone Financial Statements

for the year ended 31st March, 2021

NOTE 31 : SEGMENT REPORTING (Contd..)

c) The assets and liabilities as mentioned in the Balance Sheet include the following amounts as related to Consignment Stockiest Division of the Company

₹ in Lacs		
Particulars	2020-21	2019-20
i. Trade Receivables	668.68	313.59
ii. Cash & Bank Balances	0.62	0.29
iii. Short Term Loans & Advances	2.93	4.67
iv. Net Inter Branch Balances	248.47	89.09
v. Trade Payable	201.51	17.27
vi. Other Current Liabilities	-	-
vii. Short Term Borrowings	222.25	212.20

d) The assets and liabilities as mentioned in the Balance Sheet include the following amounts as related to Solar Power Division of the Company

₹ in Lacs		
Particulars	2020-21	2019-20
I. Property, Plant And Equipment	279.98	293.41
ii. Trade Receivables	-	-
iii. Cash & Bank Balances	-	-
iv. Other Current Assets	0.07	-
v. Net Inter Branch Balances	278.86	292.27
vi. Trade Payable	0.87	1.14
vii. Other Current Liabilities	0.32	-
viii. Long Term Borrowings	-	-

NOTE 32 : EARNING PER SHARE

Earning per Share (EPS) is computed in accordance with Ind-AS – 33- "Earning Per share" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015).

₹ in Lacs		
PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
Basic Earning Per Share		
Numerator of EPS		
Net Profit after Tax (As per Profit/ Loss Account after adjustment for preference dividend and Tax thereon)	2,978.23	493.35
Denominator of EPS		
Weighted Average Number of equity share of ₹ 10/- each ##	14312564	14312564
Basic Earnings per share	20.81	3.45
Diluted Earning Per Share		
Numerator of EPS		
Net Profit after Tax (As per Profit/ Loss Account after adjustment for preference dividend and Tax thereon)	2,978.23	493.35
Denominator of EPS		
Weighted Average Number of equity share of ₹ 10/- each **	14312564	14312564
Diluted Earning per Share	20.81	3.45

Notes Forming Integral Part of the Standalone Financial Statements

for the year ended 31st March, 2021

NOTE - 32 : EARNING PER SHARE (Contd..)

The number of partly paid up shares outstanding during the preceding year has been adjusted for the paid up value for the relevant period.

The Weighted average number of shares have been worked out on the basis of number of days for which the same were outstanding during the preceding year.

The shares forfeited by the company have been considered upto the date of forfeiture.

** The partly paid up shares have been treated as fully paid up shares for the purposes of working out the Diluted EPS.

NOTE 33 : CONTINGENT LIABILITIES

Particulars	₹ in Lacs	
	2020-21	2019-20
Counter Guarantees given to Bank for issue of performance guarantees by Bank.	448.25	642.80
Legal Undertakings submitted to DGFT under duty exemption Scheme for duty free import of raw materials (to the extent of obligations upto the reporting date)	2557.45	600.49
Labour cases pending with Labour Courts / High Court	10.00	8.00

NOTE 34 : RELATED PARTY DISCLOSURES

L. Disclosure of transactions with related parties as required by IND Accounting Standard 24 (As identified by the management)

The company's related party transactions during the year and outstanding balances as on 31.03.2021 are as under:

(A) Disclosures related to Entity(s) which are controlled/under significant influenced by Director(s)/KMP(s) of Reporting Enterprise:

1. KSM Exports Ltd.
2. MSA Investment & Trading Co. Pvt. Ltd.
3. KPL Packaging Pvt. Ltd.
4. KPL Training and Skill Development Center
5. Valex Ventures Limited, UK
6. Raghushree Earning Solutions LLP
7. Bright Choice Ventures Private Limited

(B) Details of Directors & Key Management Personnel

- | | |
|--------------------------|----------------------------|
| 1. Mahesh Swarup Agarwal | – Chairman Emeritus |
| 2. Manoj Agarwal | – Managing Director |
| 3. Shashank Agarwal | – Deputy Managing Director |
| 4. Sunil Mehta | – Executive Director |
| 5. Usha Agarwal | – Director |

Notes Forming Integral Part of the Standalone Financial Statements

for the year ended 31st March, 2021

NOTE 34 : RELATED PARTY DISCLOSURES (Contd..)

6. Prem Singh Khamesra	– Independent Director
7. Subodh Kumar	– Independent Director
8. Ram Gopal Bagla	– Independent Director
9. Akshay Kumar Gupta	– Independent Director
10. Dharam Bir Prasad	– Independent Director
11. Vishal Jain	– Chief Financial Officer
12. Ankur Srivastava	– Company Secretary

(C) Details of Relatives of Directors

1. Manjari Agarwal	– Relative of Director
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Details of Transactions Nature

₹ in Lacs

PARTICULARS	Entity(s) which are controlled/ under significant influenced by Director(s)/KMP(s)		Directors and Other KMPs		Relatives of Directors	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Remuneration/ Others	–	–	483.49	232.04	3.00	–
Sitting Fees	–	–	8.37	7.55	–	–
Sales made by the Company	182.00	0.52	–	–	–	–
Interest on Deposits	–	–	–	–	–	–
Outstanding Deposits	–	–	–	–	–	–
CSR Expenses	–	13.52	–	–	–	–
Rent paid	21.50	28.80	6.60	4.80	–	–
Rent received	0.60	0.60	–	–	–	–

NOTE 35 : CORPORATE SOCIAL RESPONSIBILITY EXPENSES

₹ in Lacs

PARTICULARS	2020-2021	2019-2020
Enterprises which are under control of the enterprise		
KPL Training and Skill Development Centre	–	13.52
Other Expenditure	50.27	33.37

Notes Forming Integral Part of the Standalone Financial Statements

for the year ended 31st March, 2021

NOTE NO.36 : EMPLOYEE BENEFITS- DEFINED BENEFIT PLANS

(a) Reconciliation of opening and closing balances of Defined Benefit Obligation

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Present value of defined benefit obligation at the beginning of the year	580.92	538.74
Obligation assumed on acquisition of business	0.00	0.00
Interest expense	38.75	41.21
Current Service Cost	71.22	59.02
Benefit paid	(62.33)	(57.74)
Remeasurement of (gain)/loss recognised in other comprehensive income	43.23	(0.31)
Actuarial changes arising from changes in financial assumptions	0.00	0.00
Actuarial changes arising from changes in experience adjustments	0.00	0.00
Defined Benefit Obligation at year end	671.79	580.92

(b) Net Defined Benefit asset/ (liability) recognised in the balance sheet

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Fair value of plan assets	0.00	0.00
Present Value of Defined Benefit Obligation	671.79	580.92
Amount recognised in balance sheet - Asset/(liability)	(671.79)	(580.92)

(c) Net defined benefit expense (recognised in the Statement of Profit or loss for the year)

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Current Service Cost	71.21	59.02
Net Interest Cost	38.75	41.21
Net defined benefit expense debited to statement of profit and loss for the year	109.96	100.23

(d) Remeasurement (gain)/loss recognised in other comprehensive income

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Actuarial changes arising from demographic assumptions	0.00	(0.12)
Actuarial changes arising from financial assumptions	35.11	(5.01)
Actuarial changes arising from changes in experience adjustments	8.11	4.82
Return on plan assets excluding interest income	0.00	0.00
Recognised in other comprehensive income - (Gain)/ Loss	43.23	(0.31)

Notes Forming Integral Part of the Standalone Financial Statements

for the year ended 31st March, 2021

NOTE 37 : QUANTITATIVE DISCLOSURES OF FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS AS AT MARCH, 31, 2021

₹ in Lacs

PARTICULARS	CARRYING VALUE 31 st March, 2021	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3
Financial Assets measured at Fair Value				
Investments measured at				
(i) Fair Value through Other Comprehensive Income	–	–	–	–
(ii) Fair Value through Profit & Loss				
Investment Property	–	–	–	–
Non Current Financial Investment	499.98	–	–	499.98
Current Financial Investment	38.01	38.01	–	–
Financial Assets measured at Amortised Cost				
Other Non Current Assets	5.45	–	–	5.45
Other Non Current Financial Assets	357.84	–	–	357.84
Trade Receivables	5,552.65	–	–	5,552.65
Cash & Cash Equivalents	284.12	–	–	284.12
Other Bank Balances	96.22	–	–	96.22
Other Current Financial Assets	1,836.00	–	–	1,836.00
Financial Liabilities measured at Amortised Cost				
Non Current Financial Liabilities				
Borrowings	5,810.73	–	–	5,810.73
Other Financial Liabilities	–	–	–	–
Current Financial Liabilities				
Borrowings	8,793.87	–	–	8,793.87
Trade Payables	1,682.78	–	–	1,682.78
Other Financial Liabilities	–	–	–	–
Other Current Liabilities	2,988.88	–	–	2,988.88

₹ in Lacs

PARTICULARS	CARRYING VALUE 31 st March, 2020	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3
Financial Assets measured at Fair Value				
Investments measured at				
(i) Fair Value through Other Comprehensive Income	–	–	–	–
(ii) Fair Value through Profit & Loss				
Investment Property	–	–	–	–
Non Current Financial Investment	–	–	–	–
Current Financial Investment	23.74	23.74	–	–
Financial Assets measured at Amortised Cost				
Other Non Current Assets	51.00	–	–	51.00
Other Non Current Financial Assets	343.71	–	–	343.71
Trade Receivables	4,052.98	–	–	4,052.98
Cash & Cash Equivalents	2.44	–	–	2.44
Other Bank Balances	121.42	–	–	121.42
Other Current Financial Assets	790.95	–	–	790.95

Notes Forming Integral Part of the Standalone Financial Statements

for the year ended 31st March, 2021

NOTE 37 : QUANTITATIVE DISCLOSURES OF FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS AS AT MARCH, 31, 2021 (Contd..)

₹ in Lacs

PARTICULARS	CARRYING VALUE 31 st March, 2020	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3
Financial Liabilities measured at Amortised Cost				
Non Current Financial Liabilities				
Borrowings	5,538.44	–	–	5,538.44
Other Financial Liabilities	–	–	–	–
Current Financial Liabilities				
Borrowings	4,135.39	–	–	4,135.39
Trade Payables	566.86	–	–	566.86
Other Financial Liabilities	–	–	–	–
Other Current Liabilities	1,690.92	–	–	1,690.92

Note: the company has disclosed financial instruments such as cash & cash equivalents, other bank balances, trade receivables, trade payables, bank overdrafts and other current liabilities at carrying amount value because their carrying amounts are a reasonable approximation of the fair values due to the short term maturities of these instruments.

The accompanying schedules form an integral part of the accounts

As per our Report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**

Chartered Accountants
Firm Regd. No.: 002253C

RAJIV MEHROTRA

Partner
Membership No.: 071428

Place: Kanpur

Date: 24.05.2021

VISHAL JAIN

Chief Financial Officer

ANKUR SRIVASTAVA

Company Secretary

For and on behalf of the Board of Directors

MANOJ AGARWAL

Managing Director
(DIN : 00474146)

SHASHANK AGARWAL

Deputy Managing Director
(DIN : 02790029)

Independent Auditors' Report

To
The Members of
Kanpur Plastipack Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the Consolidated Financial Statements of Kanpur Plastipack Limited (hereinafter referred to as the 'Holding Company') and its subsidiary, (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Change in Equity and Consolidated statement of Cash Flows for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2021, and consolidated group profit (including other comprehensive income), its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the

audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impact of the COVID-19 Pandemic on the Group's ability to continue as a going concern:

The Group is primarily engaged in exports and its receivables comprise of debts due from various overseas parties, including those based in the UK, Europe, Brazil, etc. Thus vis-à-vis the Group, the impact of COVID-19 pandemic on recoverability of its receivables, realisability of stocks and future business prospects, on its ability to continue as a going concern required extensive verification procedures, analysis of the post Balance Sheet events, management discussions and judgements.

How our audit addressed the key audit matter

For the matter referred to above, our procedures included, among others, verification and recovery pattern of all material export receivables upto the date of completion of our audit, other relevant documentation/correspondence, including correspondence with Banks, customers, on-going/pending export orders and shipments to the various parties, assessing management's conclusions etc. in view of the laid down accounting and measurement principles.

2. Verification of inventories as at the close of the year:

In view of the fact that the second wave of the COVID-19 Pandemic had set in, the inventories as at the reporting date could not be verified physically. Thus recognition and valuation of inventories as at the reporting date required extensive verification procedures, analysis of the post

Balance Sheet events, management discussions and judgements.

How our audit addressed the key audit matter

For the matter referred to above, our procedures included, among others, verification of inventory records for period falling after the close of the year and evidences of movement and sale of the same after the reporting date; verification of documents and records submitted to various authorities, including banks and revenue authorities; checking of documents evidencing movement of material (both raw material as well as finished goods), discussions with management etc.

OTHER INFORMATION

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the Consolidated Financial Statements and our auditors' report thereon. The other information included in the annual report, are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

After the Other Information is made available to us, if, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs, consolidated profit (including other comprehensive income) and consolidated changes in equity and consolidated cash flow of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective management and Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing and detecting

frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management and Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group are responsible for overseeing the financial reporting process of each entity.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors of the Holding Company.
- Conclude on the appropriateness of management's and Board of Director's of the Holding Company use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the entities included in the consolidated financial statements. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

(A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiaries which are incorporated in India, as on 31st March, 2021, none of the directors of the Group's companies incorporated

in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31st March, 2021 on the consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March, 2021.
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies

incorporated in India during the year ended 31 March 2021.

- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **RAJIV MEHROTRA & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REG.NO.002253C

RAJIV MEHROTRA
(PARTNER)
M.No.071428

Kanpur, 24th May, 2021

UDIN: 21071428AAAAAC6350

Annexure "A"

To The Independent Auditors' Report

(Referred to in Para A(f) under 'Report on Other legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER SECTION 143(3)(I) OF THE COMPANIES ACT, 2013 ("THE ACT")

(Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") (Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Kanpur Plastipack Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31st March, 2021, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March, 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were

operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **RAJIV MEHROTRA & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REG.NO.002253C

RAJIV MEHROTRA
(PARTNER)
M.No.071428

Kanpur, 24th May, 2021

Consolidated Balance Sheet

as at 31st March 2021

		₹ in Lacs	
PARTICULARS	NOTE NO.	AS AT 31 st March, 2021	AS AT 31 st March, 2020
ASSETS			
Non-Current Assets :			
Property, Plant and Equipment	4	18,489.64	16,384.84
Capital Work-in-Progress	4	230.02	48.38
Other Intangible Assets	4	—	—
		18,719.66	16,433.22
Other Financial Assets	5	357.84	343.71
Long Term Investments	5A	299.98	—
Other Non-Current Assets	6	5.45	51.00
		663.27	394.71
Current Assets :			
Inventories	7	10,261.86	4,799.92
Financial Assets :			
Current Investments	8	38.01	23.74
Trade Receivables	9	5,552.65	4,052.98
Cash and Cash Equivalents	10	371.30	2.44
Other Bank balances	11	96.22	121.42
Other Current Assets	12	1,946.01	790.95
		18,266.05	9,791.45
TOTAL ASSETS		37,648.98	26,619.38
EQUITY & LIABILITIES :			
Equity :			
Equity Share capital	13	1,431.96	1,431.96
Other Equity	14	14,314.22	11,424.84
		15,746.18	12,856.80
LIABILITIES :			
Non-Current liabilities			
Financial Liabilities :			
(i) Long Term Borrowings	15	5,810.73	5,538.44
(ii) Other Financial Liabilities	15	—	—
Long Term Provisions	16	671.79	580.92
Deferred Tax Liabilities	17	1,528.02	919.90
		8,010.54	7,039.26
Current Liabilities :			
Financial Liabilities :			
Borrowings	18	8,793.87	4,135.39
Trade Payables			
— Total Outstanding dues of Creditors other than micro and small enterprises	19	1,570.27	512.27
— Total Outstanding dues of micro and small enterprises	19	112.68	54.59
Provisions	20	426.57	330.15
Other Current Liabilities	21	2,988.88	1,690.92
		13,892.27	6,723.32
TOTAL EQUITY & LIABILITY		37,648.98	26,619.38
Significant Accounting Policies and Notes to Accounts	1-3		

The accompanying schedules form an integral part of the accounts

As per our Report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**Chartered Accountants
Firm Regd. No.: 002253C**RAJIV MEHROTRA**Partner
Membership No.: 071428Place: Kanpur
Date: 24.05.2021**VISHAL JAIN**

Chief Financial Officer

ANKUR SRIVASTAVA

Company Secretary

For and on behalf of the Board of Directors

MANOJ AGARWALManaging Director
(DIN : 00474146)**SHASHANK AGARWAL**Deputy Managing Director
(DIN : 02790029)

Consolidated Statement of Profit and Loss

for the year ended 31st March 2021

₹ in Lacs

PARTICULARS	NOTE	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Revenue from operations	22	45,164.38	31,471.80
Other income	23	751.86	781.78
Total Income		45,916.24	32,253.58
Expenses			
Cost of materials consumed	24	23,925.66	16,563.47
Purchase of stock-in-trade	25	2,687.65	2,214.95
Changes in inventories of Finished Goods, Stock in Trade and Work in Progress	26	(1,440.36)	209.21
Employee benefit expense	27	4,077.97	3,462.43
Depreciation, Amortisation and Impairment expense	4	918.44	888.14
Other Expenses	28	10,419.57	7,230.94
Finance Costs	29	917.13	1,053.02
Total Expenses		41,506.06	31,622.16
Profit/(Loss) before Exceptional Items and Tax		4,410.18	631.42
Exceptional items		–	–
Profit/(Loss) before Tax		4,410.18	631.42
Income Tax Expense			
Current tax		771.07	105.52
Earlier Year Tax Adjustments		12.50	12.26
Deferred tax		608.12	20.60
Profit/(Loss) for the period from Continuing Operations		3,018.49	493.04
PROFIT/(LOSS) FOR THE YEAR		3,018.49	493.04
Other Comprehensive Income			
A. Items that may be reclassified to profit or loss		–	–
Income Tax relating to these Items		–	–
B. Items that will not be reclassified to profit or loss		43.23	(0.31)
(Gratuity Provision debited in P&L A/C)			
Income Tax relating to these Items		–	–
Other Comprehensive Income for the Year (Net of Tax)		43.23	(0.31)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,975.26	493.35
Earnings per Share			
Basic EPS		20.79	3.45
Diluted EPS		20.79	3.45

The accompanying schedules form an integral part of the accounts

As per our Report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**

Chartered Accountants

Firm Regd. No.: 002253C

RAJIV MEHROTRA

Partner

Membership No.: 071428

Place: Kanpur

Date: 24.05.2021

VISHAL JAIN

Chief Financial Officer

ANKUR SRIVASTAVA

Company Secretary

For and on behalf of the Board of Directors

MANOJ AGARWAL

Managing Director

(DIN : 00474146)

SHASHANK AGARWAL

Deputy Managing Director

(DIN : 02790029)

Consolidated Cash Flow Statement

for the year ended 31st March 2021

₹ in Lacs

PARTICULARS	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
I) CASH FROM OPERATIONS		
A. PROFIT BEFORE TAX	4,410.18	631.42
B. ADJUSTMENTS:		
Depreciation	918.44	888.14
Provision for Gratuity under OCI	(43.23)	0.31
Loss/(Profit) on disposal of PPE, intangible assets & non-current assets held for sale	11.38	13.29
Interest Income	(115.78)	(68.60)
Finance Costs	917.13	982.12
Unrealised foreign exchange (gain)/loss (net)	-	230.94
Loss/(Profit) on sale of mutual funds	(15.66)	(6.50)
Gain on Revaluation of Investments	(1.76)	(1.92)
Operating Profit Before working capital changes	6,080.70	2,669.20
Adjustments for Changes in working Capital		
Decrease/(Increase) in Inventories	(5,461.94)	376.08
Decrease/(Increase) in Trade Receivable	(1,499.68)	801.63
Decrease/(Increase) in other Current Assets	(1,155.05)	356.19
Decrease/(Increase) in other Non Current Assets	45.55	61.48
Decrease/(Increase) in other Financial Assets	(14.13)	23.62
Increase/(Decrease) in Trade Payables	1,116.09	(166.34)
Decrease/(Increase) in Other Bank Balances	25.20	3.46
Increase/(Decrease) in Current Liabilities	1,297.96	32.78
Increase/(Decrease) in Provisions	96.42	4.94
Increase/(Decrease) in Long term Provisions	90.87	42.18
Cash Generated from/(used) in Operations	621.99	4,205.22
Less: Income Tax Paid (including TDS)	783.57	117.78
NET CASH FROM OPERATIONS	(161.59)	4,087.43
II) CASH FROM INVESTING ACTIVITIES		
Purchase of PPE & Intangible assets (incl. Capital WIP)	(3,235.68)	(911.50)
Other Investments	-	-
Investments in Mutual Funds (Net)	(296.82)	605.96
Sale of PPE & Intangible assets	19.41	152.49
Interest Received	115.78	68.60
NET CASH FROM/USED IN INVESTMENT ACTIVITIES	(3,397.31)	(84.45)

Consolidated Cash Flow Statement

for the year ended 31st March 2021

₹ in Lacs

PARTICULARS	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
III) CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	–	–
Net Increase/(Decrease) in long term borrowings	272.29	(595.20)
Repayment of long term borrowings	–	–
Net Increase/(Decrease) in short term borrowings	4,658.48	(2,134.82)
Payment of dividend including dividend distribution tax	(85.88)	(310.58)
Finance Costs	(917.13)	(982.12)
NET CASH FROM FINANCING ACTIVITIES	3,927.76	(4,022.72)
Net Increase in cash and cash equivalents	368.86	(19.74)
Cash and Cash equivalents as at the beginning of the year	2.44	22.18
Cash and Cash equivalents as at the end of the Period	371.30	2.44

Notes :

- The Cash Flow Statement has been prepared in accordance with the "Indirect Method" specified in the Ind-AS-7- "Statement of Cash Flows"
- Cash & Cash equivalents comprise cash balances and balances with banks, including current deposit account and short term fixed deposits having original maturity period of three months only.

The accompanying schedules form an integral part of the accounts

As per our Report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**

Chartered Accountants
Firm Regd. No.: 002253C

RAJIV MEHROTRA

Partner
Membership No.: 071428

Place: Kanpur

Date: 24.05.2021

VISHAL JAIN

Chief Financial Officer

ANKUR SRIVASTAVA

Company Secretary

For and on behalf of the Board of Directors

MANOJ AGARWAL

Managing Director
(DIN : 00474146)

SHASHANK AGARWAL

Deputy Managing Director
(DIN : 02790029)

Consolidated Statement of Changes In Equity

for the period ended 31st March 2021

A. EQUITY SHARE CAPITAL

	₹ in Lacs	
Balance at the beginning of the reporting period	Nos.	Amount
As at March 31 st 2019	14,312,564	1,431.96
Add: Final call amount called up on shares	—	—
As at March 31 st 2020	14,312,564	1,431.96
Add: Final call amount called up on shares	—	—
As at March 31 st 2021	14,312,564	1,431.96

B. OTHER EQUITY

₹ in Lacs					
Particulars	Reserves and Surplus				TOTAL
	Capital Redemption Reserve	Securities Premium Reserve	General Reserves	Retained Earnings	
As at March 31 st 2019	200.00	1,507.08	124.33	9,410.66	11,242.07
Profit for the Year	–	–	–	493.04	493.04
Other Comprehensive Income For the Year	–	–	–	0.31	0.31
Total Comprehensive Income For the Year	–	–	–	493.35	493.35
Dividends					
Interim dividend	–	–	–	–	–
Final Dividend	–	–	–	(257.63)	(257.63)
Corporate Dividend Tax	–	–	–	(52.95)	(52.95)
Transfer from retained earnings to general reserve	–	–	–	–	–
Addition on issue of Equity	–	–	–	–	–
Transfer from General Reserve to Capital Redemption Reserve	–	–	–	–	–
Premium Received During the Year	–	–	–	–	–
Expense Incurred on Right Issue	–	–	–	–	–
As at March 31 st 2020	200.00	1,507.08	124.33	9,593.43	11,424.84
Profit for the Year	–	–	–	3,018.49	3,018.49
Other Comprehensive Income For the Year	–	–	–	(43.23)	(43.23)
Total Comprehensive Income For the Year	–	–	–	2,975.26	2,975.26
Dividends					
Interim dividend	–	–	–	–	–
Final Dividend	–	–	–	(85.88)	(85.88)
Corporate Dividend Tax	–	–	–	–	–
Transfer from retained earnings to general reserve	–	–	–	–	–
Addition on issue of Equity	–	–	–	–	–
Transfer from General Reserve to Capital Redemption Reserve	–	–	–	–	–
Premium Received During the Year	–	–	–	–	–
Expense Incurred on Right Issue	–	–	–	–	–
As at March 31 st 2021	200.00	1,507.08	124.33	12,482.81	14,314.22

Consolidated Statement of Changes In Equity

for the period ended 31st March 2021

NATURE AND PURPOSE OF RESERVES

Capital Redemption Reserve- As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.

Securities Premium Account- The same is created when Shares/securities are issued by the company at a value which is higher than the face value/nominal value of such shares/securities. The amount representing such excess i.e the premium is transferred to the Securities Premium Account in accordance with the provisions of section 52 of the Companies Act, 2013. The balance in this reserve is utilised in accordance with the provisions of the said Section 52 of the Act.

For and on behalf of the Board of Directors

For **RAJIV MEHROTRA & ASSOCIATES**

Chartered Accountants
Firm Regd. No.: 002253C

RAJIV MEHROTRA

Partner
Membership No.: 071428

Place: Kanpur

Date: 24.05.2021

VISHAL JAIN

Chief Financial Officer

ANKUR SRIVASTAVA

Company Secretary

MANOJ AGARWAL

Managing Director
(DIN : 00474146)

SHASHANK AGARWAL

Deputy Managing Director
(DIN : 02790029)

Notes Forming Integral Part of the Consolidated Balance Sheet

as at 31st March, 2021

NOTE NO.1 : COMPANY OVERVIEW

Kanpur Plastipack Limited ('KPL' or 'The Company') and its subsidiary (collectively referred to as "the Group") are engaged in manufacturing of HDPE/PP Woven Sacks, PP Box Bags, Flexible Intermediate Bulk Containers (FIBC's), Fabrics and High Tenacity PP Multi Filament Yarn (MFy). The company is also a Consignment Stockiest of M/s Indian Oil Corporation Limited and owns and operates solar power generation facility at A-1/A-2, Panki Industrial Area, Kanpur. The company is a two star export house.

The company is a Public Limited company, domiciled in India and incorporated on July 26th, 1971 under the provisions of the Companies Act, 1956 (Now Companies Act, 2013) and having its registered office at D-19-20, Panki Industrial Area Kanpur, Uttar Pradesh-208022, India.

These Consolidated Financial Statements were authorized by the Board of Directors for issue in accordance with the Resolution passed on May 24th 2021.

NOTE NO.2 : SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance: These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time.

2.2 Basis of Preparation and Presentation: The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended; and the other relevant provisions of the Acts and Rules thereunder.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that are measured at fair value
- ii) Defined benefit plans-plan assets/liabilities measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to nearest lakhs (₹ 00,000), except where otherwise indicated.

2.3 Basis of consolidation

The Company consolidates all entities which are controlled by it. The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

Entities controlled by the Company are consolidated from the date control commences until the date control ceases. The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company transactions, balances, income and expenses are eliminated in full on consolidation. Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

The Functional Currencies of the Parent company as well as its subsidiary being Indian Rupee, no translation adjustments are required.

2.4 CURRENT V. NON-CURRENT CLASSIFICATION:

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

(a) An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for purpose of trading.
- Expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

(b) A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading

Notes Forming Integral Part of the Consolidated Balance Sheet

as at 31st March, 2021

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its general operating cycle.

2.5 Use of Estimates, Assumptions and Judgements: The preparation of these consolidated financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the year. Differences between actual results and estimates are recognised in the year in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis.

Judgments:

In the process of applying the Group's accounting policies, management of the respective companies within the Group have made the following judgments, which have a significant effect on the amounts recognised in the financial statements:

i. Recoverability of Debts/advances

There are several debts outstanding in the ordinary course of business, some of which remain outstanding beyond their due date. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such debts/ advances to be good and recoverable and classified the same as Current Assets.

ii. Estimates:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described

below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

iii. Taxes, including Evaluation of recoverability of Deferred tax assets and liabilities:

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the domicile of the constituent entities of the Group.

iv. Gratuity benefit:

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuation. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases.

v. Fair value measurement of financial instrument:

The fair value of financial assets and financial liabilities recorded in the balance sheet has been arrived at on the basis of the quoted prices in active markets, wherever available. For such financial assets and financial liabilities which cannot be measured based on quoted prices in active markets, their fair value is measured using other accepted valuation techniques. Changes in assumptions used in applying these methods could affect the reported fair value of financial instruments.

Notes Forming Integral Part of the Consolidated Balance Sheet

as at 31st March, 2021

vi. Warranty provision/Quality Claim

Provision for quality claims is determined based on the historical percentage of claims' expense to sales for the same types of goods for which the claim is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the expected claim expense to be accrued. It is adjusted to account for unusual factors, if any. It is very unlikely that actual claims will exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

2.6 Property, Plant and Equipment

- i) Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- ii) The initial cost of an asset comprises its purchase price (including import duties and non-refundable taxes, if any), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).
- iii) Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- iv) Spare parts which meet the definition of Property, plant and equipment are capitalized as Property, plant and equipment. In other cases, the spare parts is inventorised on procurement and charged to Statement of Profit and Loss on consumption.
- v) An item of Property, plant and equipment and any significant part initially recognised separately as part of Property, plant and equipment is de-recognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the assets is included in the Statement of Profit and Loss on consumption.
- vi) The residual value and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

vii) In the earlier years, the Company had elected to use exemption available under Ind AS 101 to continue with the carrying value for all its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to Ind-ASs, measured as per previous GAAP and use that as its deemed cost as at the transition date.

viii) Capital work - in - progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

ix) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The useful lives for various categories of property, plant and equipment are as given below:

Sl. No.	Description	Useful life (in years)
1.	Office Buildings	60 years
2.	Factory Buildings	30 years
3.	Plant and equipment qualifying as Continuous Process Plant	25 years
4.	Other Plant and Equipment for three shift working (Useful life is estimated for a three shift working)	25 years
5.	Other Equipment	7.5 years
6.	Furniture and fittings	10 years
7.	Office equipment	05 years
8.	Vehicles	08 years
9.	Computers and peripherals	03 years

x) Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013.

2.7 Inventories:

- i. **Basis of Valuation:** Inventories are stated at lower of cost and net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.
- ii. **Method of Valuation-** Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis.

Notes Forming Integral Part of the Consolidated Balance Sheet

as at 31st March, 2021

- iii. The inventories of finished goods, which were in transit or lying at port as at the reporting period have been valued at lower of cost and market value. The cost has been worked out as per the Retail Method.

The inventories have been physically taken by the management periodically during the year. However the year end inventories could not be physically verified owing to the company's internal decision to minimize contact, in view of the second wave of the COVID-19 Pandemic.

2.8 Revenue Recognition:

The Group derives its revenues primarily from sale of merchandise and C&F commission agency services.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding central taxes or duties collected on behalf of the Government. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are net of returns, trade discounts, rebates, but including Goods and Services Tax collected on behalf of the Government. However the GST collected and paid has been shown as a deduction under the heading 'Revenue from Operations' and only the net Revenue from Operations has been stated in the Statement of Profit and Loss.

The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognised:

a) Sale of goods:

- a. Inland sales have been accounted for at the time of dispatch of goods from the factory.
- b. Export Sales have been recognized only after the company loses control over the material i.e. once the goods have been shipped on board.
- c. Sales have been recorded net of rebates and trade discounts but are grossed up for Goods and Services Tax collected thereon.

b) Commission Income

Commission income is recognized to the extent it is probable that economic benefits will flow to the company and the revenue can be reliably measured and the company has contractual right to such revenue.

c) Interest Income

Interest Income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates and is disclosed in "other income".

d) Export Incentives:

The revenue in respect of export incentives has been recognized to the extent it is probable that economic benefits will flow to the company and the incentive value can be reliably measured.

2.9 Employee Benefits:

Short term employee benefits

All employee benefits payable/available within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages and bonus, etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the employees and the entities within the group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees' salary. The entities within the group contribute a part of the contributions to the Government administered Provident/Pension Fund. The entities within the group have no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable through the provident fund scheme as an expense, when an employee renders related services.

Other long term employee benefits

The Group does not have any structured Employee's Gratuity Fund Scheme. However the Group provides for its gratuity liability as a defined benefit plan. The liabilities

Notes Forming Integral Part of the Consolidated Balance Sheet

as at 31st March, 2021

with respect to Gratuity Plan are determined by actuarial valuation. The Group does not make any contributions and meets its gratuity liability from its own sources as and when the claims arise.

2.10 Government Grants:

- Government Grants are recognised at their realizable value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.
- When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

The Group is an exporter and receives grants in the form of Duty Drawbacks, Import entitlement etc. the same are recognized at realizable value only after the primarily conditions of the respective schemes have been complied.

2.11 Borrowing Costs

- Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds.
- Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowings costs are charged to the Statement of Profit and Loss.

2.12 Foreign currencies

Items included in the Consolidated financial statements are measured using the currency of the primary economic environment in which the Holding entity operates ('the functional currency'). The Group's Consolidated financial statements are presented in Indian rupee (₹) which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the prescribed exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the

functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the period in which they arise.

2.13 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.14 Offsetting of financial Assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.15 Taxes

Tax expense for the year comprises of current tax and deferred tax.

a) Current Tax

- (i) Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.
- (ii) Current income tax relating to item recognised outside the Statement of Profit and Loss is recognised outside Profit or Loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets

Notes Forming Integral Part of the Consolidated Balance Sheet

as at 31st March, 2021

and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or direct in equity.

2.16 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share consolidation, without a corresponding change in resources, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares, if any.

The partly paid up equity shares, if any, are treated as potential equity shares in accordance with Ind-AS 33, for the period for which the same remained partly paid up.

2.17 Provisions, Contingent Liabilities and Commitments

- (i) Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- (ii) The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.
- (iii) If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in provision due to the passage of time is recognized as a finance cost.
- (iv) Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.
- (v) Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

2.18 Several debit and credit balances are subject to confirmation by parties.

2.19 Leases- A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

In respect of the Operating Lease which are of a long term nature or of a significant value, the Group recognises right-of-use the asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement

Notes Forming Integral Part of the Consolidated Balance Sheet

as at 31st March, 2021

of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the company's depreciation policy for Property, Plant and Equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss. None of the lease arrangements of the company qualified for the above said treatment owing to the fact that the same were of a short term nature and/or of a value which was not considered material.

2.20 Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured in accordance with Ind-AS 113, using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. The quantitative disclosures of fair value measurement hierarchy are contained in Note No.37.

NOTE NO.3 : RECENT PRONOUNCEMENTS

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

Notes Forming Integral Part of the Consolidated Balance Sheet

as at 31st March, 2021

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes

of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

Notes Forming Integral Part of the Consolidated Balance Sheet

as at 31st March, 2021

Note 4 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Lease Hold Land	Freehold Land	Buildings	Vehicles	Furniture & Fittings	Office Equipment	Plant & Machinery	Grand Total	Intangible Assets	Capital Work In Progress
AT COST										
Cost as at April 01, 2019	468.56	698.83	6,065.57	480.59	220.55	405.97	12,064.03	20,404.10	73.88	190.55
Additions	-	-	224.66	37.50	25.57	18.13	747.81	1,053.68	-	82.48
Disposals/Transfer	83.72	-	0.12	53.14	-	-	154.36	291.35	-	224.65
Cost as at April 01, 2020	384.84	698.83	6,290.11	464.95	246.12	424.10	12,657.48	21,166.43	73.88	48.38
Additions	-	29.58	58.92	47.02	90.06	50.18	2,778.27	3,054.03	-	240.56
Disposals/Transfer	-	-	-	-	-	0.04	48.03	48.08	-	58.92
As at Mar 31, 2021	384.84	728.41	6,349.03	511.97	336.18	474.24	15,387.72	24,172.38	73.88	230.02
Depreciation as at April 01, 2020	64.09	-	809.76	116.30	91.64	309.82	3,389.98	4,781.59	73.88	-
Charge for the Year	4.87	-	197.58	54.15	23.73	58.44	579.68	918.44	-	-
Transfers	-	-	-	-	-	0.00	17.29	17.29	-	-
As at Mar 31st, 2021	68.96	-	1,007.34	170.45	115.37	368.26	3,952.37	5,682.74	73.88	-
NET CARRYING AMOUNT										
As at March 31, 2020	320.75	698.83	5,480.35	348.65	154.48	114.28	9,267.50	16,384.84	-	48.38
As at March 31, 2021	315.88	728.41	5,341.69	341.52	220.81	105.98	11,435.35	18,489.64	-	230.02

(a) Details of property, plant and equipment pledged against borrowings is presented in note 15 & 18

Notes Forming Integral Part of the Consolidated Balance Sheet

as at 31st March, 2021

NOTE - 5 : OTHER FINANCIAL ASSETS

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
(a) Secured, Considered Good :		
(b) Unsecured, Considered Good		
(i) Other Deposits		
– Stamp Duty paid Under Protest	29.07	29.07
– Interest accrued on Security deposit.	6.00	7.10
– Fixed Deposits with banks having maturity period of more than 12 months	49.05	54.76
– Security Deposits to Govt. & Others	273.72	252.78
	357.84	343.71
(c) Doubtful	–	–
	357.84	343.71

The Fixed Deposits with Banks are in the nature of margin money towards LC and BG Limits

NOTE - 5A : LONG TERM INVESTMENTS

(Unquoted Equity Shares, Valued at Cost)

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
Investment in Other Companies	299.98	–
(1719061 (PY-Nil) Eq. Shares of ₹10/- each fully paid up)		
	299.98	–

NOTE - 6 : OTHER NON-CURRENT ASSETS

(Unsecured , Considered Good)

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
Recoverable from UPSIDC	–	45.55
VAT Recoverable (CST under protest)	5.45	5.45
	5.45	51.00

CURRENT ASSETS :

NOTE - 7 : INVENTORIES

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
1 Raw Material	3,107.69	1,190.89
2 Raw Material (in Transit)	2,219.54	201.25
3 Goods -in-Process	2,619.04	1,892.92
4 Finished Goods (including goods lying at port)	1,852.12	1,137.88
5 Stores & Spares/ Others	463.47	376.98
	10,261.86	4,799.92

Notes Forming Integral Part of the Consolidated Balance Sheet

as at 31st March, 2021

NOTE - 8 : CURRENT INVESTMENTS

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2021	As at 31 st March, 2020
Investment in Mutual Funds (Cost as at 31/03/2021 ₹ 32.50 Lacs (PY ₹ 20.00 Lacs)	38.01	23.74
	38.01	23.74

NOTE - 9 : TRADE RECEIVABLES

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2021	As at 31 st March, 2020
- Secured trade receivables- considered Good	—	—
- Un-Secured trade receivables- considered good	5,552.65	3,709.04
- Trade Receivables which have significant increase in credit risk	—	343.94
- Trade Receivables - Credit impaired	—	—
	5,552.65	4,052.98

NOTE - 10 : CASH AND CASH EQUIVALENTS

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2021	As at 31 st March, 2020
Cash in Hand	5.03	2.14
Balances with Banks:		
Current Accounts	366.27	0.30
	371.30	2.44

NOTE - 11 : OTHER BANK BALANCES

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2021	As at 31 st March, 2020
Earmarked balances with banks		
Unclaimed dividend with bank	51.11	54.96
FDR held as Margin Money with Banks	45.11	66.46
	96.22	121.42

The Fixed Deposits with Banks are in the nature of margin money towards LC and BG Limits

Notes Forming Integral Part of the Consolidated Balance Sheet

as at 31st March, 2021

OTHER CURRENT ASSETS :

NOTE - 12 : SHORT-TERM LOANS AND ADVANCES(UNSECURED)

(Unsecured and Considered Good)

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
(a) Income Tax Refund Receivable	62.60	167.18
(b) Others loans & advances considered good		
1 Advance to Staff	10.76	26.72
2 Pre-paid Expenses	157.89	113.85
3 Advances to Suppliers & Others	1,032.97	130.08
4 Interest Recoverable under TUF Scheme / others	7.31	9.11
5 Excise Duty/Service Tax Refund/Custom Duty Recoverable	1.88	-
6 GST Recoverable		
(i) GST Refundable	250.09	8.91
(ii) ITC Receivable	422.52	335.10
	1,946.01	790.95

No amounts are due from any of the Directors or other officers of the Company.

EQUITY & LIABILITIES :

NOTE - 13 : EQUITY SHARE CAPITAL

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
1 Authorised Capital		
200 Lakhs (PY- 200 Lakhs) Equity Shares of ₹ 10/- each	2,000.00	2,000.00
20 Lakhs (PY- 20 Lakhs) Preference Shares of ₹ 10/- each	200.00	200.00
	2,200.00	2,200.00
A. Issued, Subscribed and Paid-up Capital		
14312564 Equity Shares of ₹ 10/- each each fully called and paid up		
(i) 14312564 (Previous years 14312564) Equity Shares of ₹ 10/- each each fully paid up	1,431.26	1,431.26
ii) Share Forfeiture Account	0.70	0.70
(14081 Shares called up ₹ 10/- each and paid up ₹ 5/- each)		
	1,431.96	1,431.96

B Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees only in proportion to the paid up value of the equity shares.

The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes Forming Integral Part of the Consolidated Balance Sheet

as at 31st March, 2021

NOTE - 13 : EQUITY SHARE CAPITAL (Contd..)

C Reconciliation of number of equity shares outstanding as at the beginning and end of the year:

₹ in Lacs

PARTICULARS	Number of Shares	Amount ₹ In Lakhs
Outstanding as at 31 st March 2019	14,312,564	1,431.25
Equity Shares Issued during Financial Year ended 31 st March 2020 for Cash consideration	–	–
Outstanding as at 31 st March 2020	14,312,564	1,431.25
Equity Shares Issued during Financial Year ended 31 st March 2021 for Cash consideration	–	–
Outstanding as at 31 st March 2021	14,312,564	1,431.25

D. Details of shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):

PARTICULARS	As at 31 st March, 2021		As at 31 st March, 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Maresh Swarup Agarwal	2,542,401	17.76%	2,542,401	17.76%
Usha Agarwal	2,009,866	14.04%	2,008,866	14.04%
Manoj Agarwal	1,356,523	9.48%	1,351,523	9.44%
Shashank Agarwal	1,090,564	7.62%	1,090,564	7.62%
MSA Investment & Trading Company Pvt. Ltd.	948,126	6.62%	937,876	6.55%
KSM Exports Limited	753,434	5.26%	753,434	5.26%

NOTE - 14 : OTHER EQUITY

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
A. SECURITIES PREMIUM ACCOUNT		
Balance at the beginning of the year	1,507.08	1,507.08
Add: Premium Received during the year	–	–
Less: Deduction/Transfer	–	–
Balance as at the end of the year	1,507.08	1,507.08
B. CAPITAL REDEMPTION RESERVE		
Balance at the beginning of the year	200.00	200.00
Add: Transfer from Retained Earnings	–	–
Balance as at the end of the year	200.00	200.00
C. GENERAL RESERVE		
Balance at the beginning of the year	124.33	124.33
Add: Transfer from Retained Earnings	–	–
Less: Transferred to Capital Redemption Reserve	–	–
Balance as at the end of the year	124.33	124.33
D. RETAINED EARNINGS		
Balance at the beginning of the year	9,593.43	9,410.66
Add: Net Profit for the Year	2,975.26	493.35
	12,568.68	9,904.01

Notes Forming Integral Part of the Consolidated Balance Sheet

as at 31st March, 2021

NOTE - 14 : OTHER EQUITY (Contd..)

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
Less:		
(i) Transferred To General Reserves	–	–
(ii) Final Dividend on Equity Shares paid during the Year (Amount per share ₹ 0.60/- , Previous Year ₹ 1.80 /- per Equity Share)	85.88	257.63
(iii) Tax on Dividend on Equity Shares	–	52.95
	85.88	310.58
Balance as at the end of the period	12,482.81	9,593.43
	14,314.22	11,424.84

NOTE - 15 : LONG TERM BORROWINGS :

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
Term Loans from banks (Secured)	5,786.31	5,468.05
Vehicle Finance under Hire purchase	24.42	70.39
	5,810.73	5,538.44

15.1 Term Loans from State Bank Of India in INR , Balance Outstanding is (₹3093.13 Lakhs, (Previous Year ₹686.03 lakhs).

Foreign Currency Term Loan (USD) from State Bank of India, Balance NIL (PY ₹2863.86 lakhs)

15.2 Term Loans from HDFC Bank Ltd. INR , Balance Outstanding is (₹ in Lacs) 2914.44, (PY ₹681.65 lakhs)

Foreign Currency Term Loan (USD) from HDFC Bank Ltd., Balance NIL (PY ₹1923.24 Lakhs)

15.3 Term Loans from AXIS Bank Ltd. INR , Balance Outstanding is (₹ in Lacs) 987.74, (PY NIL)

15.4 The above Term Loans are secured by hypothecation of stocks of Raw Materials, Goods in Process, Finished Goods, Spares, Book Debts, Export Documents and mortgage of the land and building of the Company situated at Fatehpur Roshnai, Dist Akbarpur, Gajner Road; at D-19 and D-20, Site I Panki Industrial Area, Kanpur and at A1-A2, Site 5 (Udyog Kunj), Panki Industrial Area, Kanpur

15.5 The above Term Loans have been guaranteed (personal) by Chairman Emeritus, Managing Director and Deputy Managing Director of the Company.

15.6 Vehicle Finance under Hire purchase is Secured by Hypothecation of Vehicles of the company and are repayable over a period of 5 Years.

The installments due in the succeeding twelve months in respect of the above loans have been classified under Current Liabilities in Note No.21, as 'Current Maturities of Debts'.

NOTE - 16 : LONG TERM PROVISIONS

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
Provisions for Employee Benefit Obligations	671.79	580.92
	671.79	580.92

Notes Forming Integral Part of the Consolidated Balance Sheet

as at 31st March, 2021

NOTE - 17 : DEFERRED TAX LIABILITY (NET)

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2021	As at 31 st March, 2020
1 Deferred Tax Liabilities		
Depreciation and amortisation	1,923.16	1,582.45
2 Deferred Tax Assets		
Employee benefits	(296.59)	(283.37)
MAT Credit Entitlement	(98.55)	(379.18)
	1,528.02	919.90

Reconciliation of tax expense and accounting profit multiplies by the domestic tax rate for 31st March, 2021 and 31st March, 2020

PARTICULARS	₹ in Lacs	
	For the Year Ended 31 st March, 2021	31 st March, 2020
Accounting profit before Income Tax	4,369.92	631.73
Applicable Tax Rate	29.12%	16.69%
Computed Tax Expense	1,272.52	105.45
Adjustment in respect of current income tax of previous years	12.50	12.26
Impact of change in tax rate for calculation of DTA/DTL	60.73	20.67
Utilisation of unrecognised unabsorbed depreciation and carried forward losses	21.35	–
Effect of Non deductible adjustments for tax purposes	24.58	–
Income Tax at effective tax rate	1,391.68	138.38

NOTE - 18 : CURRENT LIABILITIES :

Financial Liabilities

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2021	As at 31 st March, 2020
Borrowings from Bank		
1 Working Capital Loans in INR (Refer to Notes 18.1 to 18.6 below)	8,793.87	4,135.39
	8,793.87	4,135.39

18.1 It includes Bill Purchase Account of ₹ 2291.41 Lacs. (Previous Year ₹ 1277.55 Lacs)

18.2 Working Capital Loans from State Bank of India in INR in Cash Credit (Hypo) , Export Packing Credit & Cash Credit(Book Debts) , SBI COVID Loan , Balance Outstanding (₹in Lacs) 5787.43 (previous year (₹in Lacs) 2487.44).

18.3 Working Capital Loans from HDFC Bank Limited in INR in Cash Credit (Hypo) , Export Packing Credit, Balance Outstanding (₹in Lacs) 492.85 (previous year (₹in Lacs) 158.20).

18.4 Working Capital Loans in INR from State Bank of India in Cash Credit Limits under E-DFS Scheme , Balance Outstanding of (₹ in Lacs) 222.25 (previous year (₹ in Lacs) 212.20) Consignment Stockist (IOCL) Division.

18.5 The above Working Capital Loans are secured by hypothecation of stocks of Raw Materials, Goods in Process, Finished Goods, Spares, Book Debts, Export Documents and assets of the company as stated in Note No.15 above.

18.6 The above Working Capital Loans have been guaranteed (Personal) by Chairman Emeritus, Managing Director and Deputy Managing Director.

Notes Forming Integral Part of the Consolidated Balance Sheet

as at 31st March, 2021

NOTE - 19 : TRADE PAYABLES

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
1 Trade Payable for purchase of Raw Material & Store, Spares (Refer Note 19.1 Below)	1,004.64	175.36
2 Trade Payable for Services Received	678.31	391.50
	1,682.95	566.86
As regards the disclosure requirements under the Micro, Small & Medium Enterprises Development Act, 2006, and Schedule III of the Companies Act, 2013, it may be mentioned that the company had called for information and details from its 'Suppliers' regarding their registration status and classification under the Act as Medium, Small or Micro enterprises. Based on the information received upto the date of these Financial Statements, the Trade Payables are classified as under:		
Amount due to Suppliers being Micro and Small Enterprises	112.68	54.59
Amount due to Others	1,570.27	512.27
	1,682.95	566.86

19.1 (Including (₹ in Lacs) 201.51 (Previous Year ₹ 17.27 in Lacs) of Consignment Stockist (IOCL) Division.

NOTE - 20 : PROVISIONS

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
1 Provision for Quality Claim	57.48	9.92
2 Employee Benefits (Leave Wages/Bonus)	369.09	320.23
	426.57	330.15

NOTE - 21 : OTHER CURRENT LIABILITIES

₹ in Lacs

PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
Current Maturities of :		
1 Long Term Debt	1,209.00	989.00
2 Finance Lease Obligations on Vehicle	29.79	47.51
Others:		
1 Income Tax Payable	73.76	—
2 Advances From Customers & Others	434.68	140.03
3 TDS Payable	32.75	22.03
4 Unpaid Dividend	51.11	54.96
5 Unpaid-salary & wages	242.43	185.09
6 Payables in respect of Capital Goods	26.15	17.84
7 Retention Money From Supplier	147.96	1.96
8 Outstanding Liabilities	741.25	232.50
	2,988.88	1,690.92

Notes Forming Integral Part of the Consolidated Profit & Loss Account

for the year ended 31st March, 2021

NOTE - 22 : REVENUE FROM OPERATIONS

PARTICULARS	₹ in Lacs	
	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
(I) Sale of Products		
(i) Plastic Products (Indigenous)	7,875.04	6,363.19
(ii) Plastic Products (Export)	34,601.58	23,137.71
(iii) By-Products	785.13	601.10
	43,261.75	30,102.00
(II) Sale - Trading of Stock -in-Trade		
(i) Plastic Granules/ Others	2,900.61	2,343.49
(ii) Merchant Exports	229.61	—
	3,130.22	2,343.49
(III) Other Operating Revenue		
(i) Commission received (on Consignment Stock sales IOCL)	91.47	58.51
(ii) Sale of scrap	103.17	91.25
	194.64	149.76
Total Revenue From Operations (I+II+III)	46,586.61	32,595.25
Less : Goods & Service Tax	1,422.23	1,123.45
	45,164.38	31,471.80

NOTE - 23 : OTHER INCOME

PARTICULARS	₹ in Lacs	
	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
(i) Export Incentives (Focus Market/Product scheme)	27.35	434.23
(ii) Miscellaneous income	7.73	9.01
(iii) Interest Received	115.78	68.60
(iv) Net Gain on Foreign Exchange Fluctuation	583.58	261.52
(v) Profit on Sale of Investment	15.66	6.50
(vi) Gain on revaluation of Investments	1.76	1.92
	751.86	781.78

NOTE - 24 : COST OF THE MATERIALS CONSUMED

PARTICULARS	₹ in Lacs	
	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Opening Stock :		
Raw Materials	1,190.89	1,490.87
Add : Purchases	25,842.46	16,263.49
Less : Closing Stock	3,107.69	1,190.89
Materials Consumed	23,925.66	16,563.47

Notes Forming Integral Part of the Consolidated Profit & Loss Account

for the year ended 31st March, 2021

NOTE - 25 : PURCHASE OF STOCK IN TRADE

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Purchase of Plastic Granules	2,687.65	2,214.95
	2,687.65	2,214.95

NOTE - 26 : CHANGES IN INVENTORIES

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Opening Stock :		
Goods in Process	1,892.92	2,497.21
Finished Goods	1,137.88	742.80
Less : Closing Stock		
Goods in Process	2,619.04	1,892.92
Finished Goods (Includes Goods in Transit)	1,852.12	1,137.88
(Increase) Decrease in Stock	(1,440.36)	209.21

NOTE - 27 : EMPLOYEE BENEFITS EXPENSES

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
(i) Salaries, Wages, Bonus & Others	3,077.70	2,803.12
(ii) Contribution to Provident and other Funds	179.12	171.84
(iii) Staff welfare expenses	377.87	297.75
(iv) Directors' Remuneration	214.76	184.72
(v) Directors' Commission	228.52	5.00
	4,077.97	3,462.43

NOTE - 28 : OTHER EXPENSES

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Stores and Spares Consumed	819.55	771.55
Power and Fuel	2,258.81	1,794.40
Other Direct Expenses	3,254.03	2,350.08
Repairs and Maintenance		
– Building	118.47	76.11
– Plant and Machinery	65.31	70.92
– Others	42.02	32.44
Advertisement and Publicity	5.96	8.22
Traveling and Conveyance		
– Directors' Traveling including Foreign Travel	5.02	60.08
– Sales Staff	1.22	29.55

Notes Forming Integral Part of the Consolidated Profit & Loss Account

for the year ended 31st March, 2021

NOTE - 28 : OTHER EXPENSES (Contd..)

PARTICULARS	₹ in Lacs	
	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
– Other	10.68	15.13
Transportation Expenses	173.26	75.81
Selling and Promotional Expenses	103.18	92.30
Freight and Forwarding	2,449.76	1,287.97
Claims and Discount	111.81	57.13
Bad Trade Receivables/Advances Written Off	393.82	25.42
Legal and Professional	127.98	98.90
Meeting, Recruitment & Training Expenses	16.98	11.29
Printing and Stationery/ Books and Periodicals	31.14	28.75
Vehicle Maintenance	30.80	34.74
Rent	22.79	29.69
Rates and taxes	32.82	28.52
Corporate Social Responsibility	50.27	46.90
Communication Expenses	37.71	37.25
Auditors' Remuneration		
Audit Fees	7.05	4.00
Tax & GST Audit Fees	2.00	0.50
Services for Tax matter	1.30	1.77
Subscription and Memberships	7.56	5.68
Insurance Expenses	169.69	106.21
Directors' Sitting Fees	8.37	7.55
Miscellaneous Expenses	48.83	28.79
Loss on disposal of Fixed Assets	11.38	13.29
	10,419.57	7,230.94

NOTE - 29 : FINANCE COSTS

PARTICULARS	₹ in Lacs	
	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
(i) Interest to Bank & others	769.74	930.92
(ii) Bank Charges	147.39	122.10
	917.13	1,053.02

Notes Forming Integral Part of the Consolidated Financial Statements

for the year ended 31st March, 2021

NOTE - 30 : DIVIDEND

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognised directly in equity.

The dividends paid in the years reported in these financial statements are duly disclosed in the Statement of changes in Equity of the year in which payment has been made, irrespective of the year in which the same were proposed.

Dividends paid during the year ended March 31, 2021 include an amount of ₹0.60 per equity share towards final dividend for the year ended March 31, 2020.

Dividends declared by the Company are based on the profit available for distribution. The Board of Directors of the Company have proposed a final dividend of ₹1.80 per share in respect of the year ended March 31, 2021. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹257.63 Lakhs

NOTE 31 : SEGMENT REPORTING

The segment reporting of the Company has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015). For management purposes, the company is organized into business segment based on its products and services and has three reportable segments as follows:

a) Operating Segments

Plastic Division	: Domestic and Export sale of manufactured and traded plastic products
Consignment Stockiest	: Consignment Stockiest for Indian Oil Corporation Ltd.
Solar Power Division	: Generation and supply of power. The same is consumed by the company in its manufacturing operations.

b) Summary of Segmental Information

₹ in Lacs

PARTICULARS	Plastic Division		Consignment Stockiest		Solar Power Division		Total Operations	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
1. Segment Revenue	45,072.91	31,413.29	91.47	58.51	40.84	34.95	45,205.22	31,506.75
Less: Inter Segment Revenue	-	-	-	-	-	-	-	-
Net Sales/Income from Operations	45,072.91	31,413.29	91.47	58.51	40.84	34.95	45,205.22	31,506.75
2. Other Revenue	679.80	721.01	72.06	60.77	-	-	751.86	781.78
Total Income	45,752.71	32,134.30	163.53	119.28	40.84	34.95	45,957.08	32,288.53
3. Segment Results (Profit Before Tax and Interest)	5,176.78	1,588.56	126.87	76.16	23.66	19.72	5,327.31	1,684.45
Less : Unallocated Interest Finance Charges	895.14	1,023.17	21.99	29.10	-	0.75	917.13	1,053.02
Total Profit before tax	4281.64	565.39	104.88	47.06	23.66	18.97	4410.18	631.42
4. Capital Employed (Segment Assets - Segment Liabilities)	15,218.85	12,475.44	248.47	89.09	278.86	292.27	15,746.18	12,856.80
5. Segment Assets	37,369.00	26,325.97	-	-	279.98	293.41	37,648.98	26,619.38
6. Depreciation	905.02	875.31	-	-	13.43	12.83	918.44	888.14

Notes Forming Integral Part of the Consolidated Financial Statements

for the year ended 31st March, 2021

NOTE 31 : SEGMENT REPORTING (Contd..)

c) The assets and liabilities as mentioned in the Balance Sheet include the following amounts as related to Consignment Stockiest Division of the Company

₹ in Lacs		
Particulars	2020-21	2019-20
i. Trade Receivables	668.68	313.59
ii. Cash & Bank Balances	0.62	0.29
iii. Short Term Loans & Advances	2.93	4.67
iv. Net Inter Branch Balances	248.47	89.09
v. Trade Payable	201.51	17.27
vi. Other Current Liabilities	-	-
vii. Short Term Borrowings	222.25	212.20

d) The assets and liabilities as mentioned in the Balance Sheet include the following amounts as related to Solar Power Division of the Company

₹ in Lacs		
Particulars	2020-21	2019-20
i. Property, Plant And Equipment	279.98	293.41
ii. Trade Receivables	-	-
iii. Cash & Bank Balances	-	-
iv. Other Current Assets	0.07	-
v. Net Inter Branch Balances	278.86	292.27
vi. Trade Payable	0.87	1.14
vii. Other Current Liabilities	0.32	-
viii. Long Term Borrowings	-	-

NOTE 32 : EARNING PER SHARE

Earning per Share (EPS) is computed in accordance with Ind-AS – 33- "Earning Per share" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015).

₹ in Lacs		
PARTICULARS	As at 31 st March, 2021	As at 31 st March, 2020
Basic Earning Per Share		
Numerator of EPS		
Net Profit after Tax (As per Profit/ Loss Account after adjustment for preference dividend and Tax thereon)	2,975.26	493.35
Denominator of EPS		
Weighted Average Number of equity share of ₹ 10/- each ##	14312564	14312564
Basic Earnings per share	20.79	3.45
Diluted Earning Per Share		
Numerator of EPS	2,975.26	493.35
Net Profit after Tax (As per Profit/ Loss Account after adjustment for preference dividend and Tax thereon)		
Denominator of EPS		
Weighted Average Number of equity share of ₹ 10/- each **	14312564	14312564
Diluted Earning per Share	20.79	3.45

Notes Forming Integral Part of the Consolidated Financial Statements

for the year ended 31st March, 2021

NOTE 32 : EARNING PER SHARE (Contd..)

The number of partly paid up shares outstanding during the preceding year has been adjusted for the paid up value for the relevant period.

The Weighted average number of shares have been worked out on the basis of number of days for which the same were outstanding during the preceding year.

The shares forfeited by the company have been considered upto the date of forfeiture.

** The partly paid up shares have been treated as fully paid up shares for the purposes of working out the Diluted EPS.

NOTE 33 : CONTINGENT LIABILITIES

Particulars	₹ in Lacs	
	2020-21	2019-20
Counter Guarantees given to Bank for issue of performance guarantees by Bank.	448.25	642.80
Legal Undertakings submitted to DGFT under duty exemption Scheme for duty free import of raw materials (to the extent of obligations upto the reporting date)	2557.45	600.49
Labour cases pending with Labour Courts / High Court	10.00	8.00

NOTE 34 : RELATED PARTY DISCLOSURES

L. Disclosure of transactions with related parties as required by IND Accounting Standard 24 (As identified by the management)

The company's related party transactions during the year and outstanding balances as on 31.03.2021 are as under:

(A) Disclosures related to Entity(s) which are controlled/under significant influenced by Director(s)/KMP(s) of Reporting Enterprise:

1. KSM Exports Ltd.
2. MSA Investment & Trading Co. Pvt. Ltd.
3. KPL Packaging Pvt. Ltd.
4. KPL Training and Skill Development Center
5. Valex Ventures Limited, UK
6. Raghushree Earning Solutions LLP
7. Bright Choice Ventures Private Limited

(B) Details of Directors & Key Management Personnel

- | | |
|--------------------------|----------------------------|
| 1. Mahesh Swarup Agarwal | – Chairman Emeritus |
| 2. Manoj Agarwal | – Managing Director |
| 3. Shashank Agarwal | – Deputy Managing Director |
| 4. Sunil Mehta | – Executive Director |
| 5. Usha Agarwal | – Director |

Notes Forming Integral Part of the Consolidated Financial Statements

for the year ended 31st March, 2021

NOTE 34 : RELATED PARTY DISCLOSURES (Contd..)

6. Prem Singh Khamesra	– Independent Director
7. Subodh Kumar	– Independent Director
8. Ram Gopal Bagla	– Independent Director
9. Akshay Kumar Gupta	– Independent Director
10. Dharam Bir Prasad	– Independent Director
11. Vishal Jain	– Chief Financial Officer
12. Ankur Srivastava	– Company Secretary

(C) Details of Relatives of Directors

1. Manjari Agarwal	– Relative of Director
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Details of Transactions Nature

₹ in Lacs

PARTICULARS	Entity(s) which are controlled/ under significant influenced by Director(s)/KMP(s)		Directors and Other KMPs		Relatives of Directors	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Remuneration/ Others	–	–	483.49	232.04	3.00	–
Sitting Fees	–	–	8.37	7.55	–	–
Sales made by the Company	182.00	0.52	–	–	–	–
Interest on Deposits	–	–	–	–	–	–
Outstanding Deposits	–	–	–	–	–	–
CSR Expenses	–	13.52	–	–	–	–
Rent paid	21.50	28.80	6.60	4.80	–	–
Rent received	0.60	0.60	–	–	–	–

NOTE 35 : CORPORATE SOCIAL RESPONSIBILITY EXPENSES

₹ in Lacs

PARTICULARS	2020-2021	2019-2020
Enterprises which are under control of the enterprise		
KPL Training and Skill Development Centre	–	13.52
Other Expenditure	50.27	33.37

Notes Forming Integral Part of the Consolidated Financial Statements

for the year ended 31st March, 2021

NOTE NO.36 : EMPLOYEE BENEFITS- DEFINED BENEFIT PLANS

(a) Reconciliation of opening and closing balances of Defined Benefit Obligation

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Present value of defined benefit obligation at the beginning of the year	580.92	538.74
Obligation assumed on acquisition of business	-	-
Interest expense	38.75	41.21
Current Service Cost	71.22	59.02
Benefit paid	(62.33)	(57.74)
Remeasurement of (gain)/loss recognised in other comprehensive income	43.23	(0.31)
Actuarial changes arising from changes in financial assumptions	-	-
Actuarial changes arising from changes in experience adjustments	-	-
Defined Benefit Obligation at year end	671.79	580.92

(b) Net Defined Benefit asset/ (liability) recognised in the balance sheet

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Fair value of plan assets	-	-
Present Value of Defined Benefit Obligation	671.79	580.92
Amount recognised in balance sheet - Asset/(liability)	(671.79)	(580.92)

(c) Net defined benefit expense (recognised in the Statement of Profit or loss for the year)

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Current Service Cost	71.21	59.02
Net Interest Cost	38.75	41.21
Net defined benefit expense debited to statement of profit and loss for the year	109.96	100.23

(d) Remeasurement (gain)/loss recognised in other comprehensive income

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Actuarial changes arising from demographic assumptions	-	(0.12)
Actuarial changes arising from financial assumptions	35.11	(5.01)
Actuarial changes arising from changes in experience adjustments	8.11	4.82
Return on plan assets excluding interest income	-	-
Recognised in other comprehensive income - (Gain)/ Loss	43.23	(0.31)

Notes Forming Integral Part of the Consolidated Financial Statements

for the year ended 31st March, 2021

NOTE 37 : QUANTITATIVE DISCLOSURES OF FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS AS AT MARCH, 31, 2021

₹ in Lacs

PARTICULARS	CARRYING VALUE 31 st March, 2021	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3
Financial Assets measured at Fair Value				
Investments measured at				
(i) Fair Value through Other Comprehensive Income	–	–	–	–
(ii) Fair Value through Profit & Loss				
Investment Property	–	–	–	–
Non Current Financial Investment	299.98	–	–	299.98
Current Financial Investment	38.01	38.01	–	–
Financial Assets measured at Amortised Cost				
Other Non Current Assets	5.45	–	–	5.45
Other Non Current Financial Assets	357.84	–	–	357.84
Trade Receivables	5,552.65	–	–	5,552.65
Cash & Cash Equivalents	371.30	–	–	371.30
Other Bank Balances	96.22	–	–	96.22
Other Current Financial Assets	1,946.01	–	–	1,946.01
Financial Liabilities measured at Amortised Cost				
Non Current Financial Liabilities				
Borrowings	5,810.73	–	–	5,810.73
Other Financial Liabilities	–	–	–	–
Current Financial Liabilities				
Borrowings	8,793.87	–	–	8,793.87
Trade Payables	1,682.95	–	–	1,682.95
Other Financial Liabilities	–	–	–	–
Other Current Liabilities	2,988.88	–	–	2,988.88

₹ in Lacs

PARTICULARS	CARRYING VALUE 31 st March, 2020	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3
Financial Assets measured at Fair Value				
Investments measured at				
(i) Fair Value through Other Comprehensive Income	–	–	–	–
(ii) Fair Value through Profit & Loss				
Investment Property	–	–	–	–
Non Current Financial Investment	–	–	–	–
Current Financial Investment	23.74	23.74	–	–
Financial Assets measured at Amortised Cost				
Other Non Current Assets	51.00	–	–	51.00
Other Non Current Financial Assets	343.71	–	–	343.71
Trade Receivables	4,052.98	–	–	4,052.98
Cash & Cash Equivalents	2.44	–	–	2.44
Other Bank Balances	121.42	–	–	121.42
Other Current Financial Assets	790.95	–	–	790.95

Notes Forming Integral Part of the Consolidated Financial Statements

for the year ended 31st March, 2021

NOTE 37 : QUANTITATIVE DISCLOSURES OF FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS AS AT MARCH, 31, 2021 (Contd..)

₹ in Lacs

PARTICULARS	CARRYING VALUE 31 st March, 2020	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3
Financial Liabilities measured at Amortised Cost				
Non Current Financial Liabilities				
Borrowings	5,538.44	–	–	5,538.44
Other Financial Liabilities	–	–	–	–
Current Financial Liabilities				
Borrowings	4,135.39	–	–	4,135.39
Trade Payables	566.86	–	–	566.86
Other Financial Liabilities	–	–	–	–
Other Current Liabilities	1,690.92	–	–	1,690.92

Note: the company has disclosed financial instruments such as cash & cash equivalents, other bank balances, trade receivables, trade payables, bank overdrafts and other current liabilities at carrying amount value because their carrying amounts are a reasonable approximation of the fair values due to the short term maturities of these instruments.

The accompanying schedules form an integral part of the accounts

As per our Report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**

Chartered Accountants
Firm Regd. No.: 002253C

RAJIV MEHROTRA

Partner
Membership No.: 071428

Place: Kanpur

Date: 24.05.2021

VISHAL JAIN

Chief Financial Officer

ANKUR SRIVASTAVA

Company Secretary

For and on behalf of the Board of Directors

MANOJ AGARWAL

Managing Director
(DIN : 00474146)

SHASHANK AGARWAL

Deputy Managing Director
(DIN : 02790029)

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Annexure-1 to the consolidated financial statement for the year ended 31st March, 2021

Statement containing salient features of the financial statements of subsidiaries / Joint Ventures / associates:

Part A: Subsidiaries

Sl. No.	Particulars	Details
1.	Name of the Subsidiary	Bright Choice Ventures Private Limited
2.	The date since when subsidiary was acquired	02 nd January, 2021 (Date of Incorporation as the wholly owned subsidiary of Kanpur Plastipack Limited)
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not Applicable
5.	Share capital	₹ 200 Lacs
6.	Reserves & surplus	₹ (2.97) Lacs
7.	Total assets	₹ 197.20 Lacs
8.	Total Liabilities	₹ 0.17 Lacs
9.	Investments	-
10.	Turnover	-
11.	Profit/(loss) before Taxation	₹(2.97) Lacs
12.	Provision for Taxation	-
13.	Profit/(loss) after Taxation	₹ (2.97) Lacs
14.	Proposed Dividend	-
15.	Extent of shareholding (in percentage)	100%

Note:

1. A new wholly owned subsidiary of the Company namely M/s Kanplas Earning Solutions Private Limited was incorporated on 21st May, 2021 is yet to commence its operation.
2. No subsidiaries have been liquidated or sold during the year.

Part B: Associate Company and Joint Venture – Nil



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