



03<sup>rd</sup> September, 2022

**BSE Limited**  
Phiroze Jeejeebhoy Towers, Dalal  
Street,  
Mumbai 400 001

**National Stock Exchange of India Limited**  
Exchange Plaza, Plot No. C/1,  
G Block, Bandra – Kurla Complex,  
Bandra (East),  
Mumbai 400 051

Scrip Code: **507779**

Trading Symbol: **KANPRPLA**

**Sub.:- Submission of Proceedings of Annual General Meeting.**

Dear Sir,

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find attached herewith Transcript of the 51<sup>st</sup> Annual General Meeting of the Company held on Friday, the 2<sup>nd</sup> September, 2022 through Video Conferencing. The same is also uploaded on the website of the Company at [www.kanplas.com](http://www.kanplas.com).

Kindly take this on record and oblige.

Thanking you,

Yours faithfully,  
For **Kanpur Plastipack Limited**

**(Ankur Srivastava)**  
**Company Secretary**

Ench: A/a

D-19,20 Panki Industrial Area, Kanpur-208022, India  
tel.no: +91 (512) 2691113-116 | fax: +91 (512) 2691117  
email: [info@kanplas.com](mailto:info@kanplas.com) | web: [www.kanplas.com](http://www.kanplas.com)

**Manufacturers & Exporters:** HDPE/PP Circular  
Woven Fabrics, Sacks and FIBCS/Jumbo Bags  
Multifilament Yarn

ISO 9001:2015 ISO 22000 AIB BRC Certified  
CIN L25209UP1971PLC003444



**Transcript of the 51<sup>st</sup> Annual General meeting of the Company**  
**Held on 2<sup>nd</sup> September, 2022 at 12:00 Noon through Video Conferencing**

**Introduction by the Company Secretary of the Company Mr. Ankur Srivastava**

Good After noon Dear Shareholders !

My Name is Ankur Srivastava and I am the Company Secretary of your Company. I warmly welcome all of you to this 51<sup>st</sup> Annual General meeting of Kanpur Plastipack Limited. Hope you all are safe and healthy.

Now, before proceeding with the Meeting I would like to share with you some key information regarding the meeting and the voting process.

Again we are meeting through virtual mode. In view of Spread of Covid-19 pandemic, Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI) have extended their permission for the companies to conduct the Annual General Meetings through Video Conferencing / other Audio Visual Means. In compliance to the circulars of MCA and SEBI, the 51<sup>st</sup> AGM of your Company is being conducted through Video Conferencing.

Please take note that the proceedings of the meetings are being recorded. To ensure seamless proceedings and to avoid any kind of background sound all of you are kept on mute by the Host. Only those shareholders who have registered themselves as speakers will be allowed to speak in the meeting and they will be unmuted for their time slot by the host. Other Shareholders may also raise questions, if any, through the Q&A panel of the NSDL, the Company will reply through email. The questions of the shareholders which are already registered will be answered during the meeting.

The Company had provided the facility to the shareholders to exercise their voting rights through electronic voting. And for the benefit of the shareholders, who are present in the meeting and who had not already voted electronically, the Company has provided facility of e-voting in this meeting as well and the Shareholders who have not already casted their vote through remote e-voting may cast their vote after the proceedings of the meeting.

The voting result and recorded transcript of this meeting will be available on the website of the Company and also on the website of the Stock Exchanges after scrutinizer submits their report.

Now i request Chairman cum Managing Director of the Company Shri Manoj Agarwal ji to address to the shareholders and start the proceedings of the AGM.

**Opening Address by the Chairman Cum Managing Director Mr. Manoj Agarwal:**

Good Afternoon Ladies and Gentlemen it is time to start the proceedings of 51<sup>st</sup> Annual General Meeting of Kanpur Plastipack Limited. I welcome all of you in this virtual AGM. Hope you all are safe and healthy.

I express my gratitude to all the Shareholders of the Company for their continued support and confidence with the Company. I also thank my colleagues on the Board for their valuable guidance and support.

As confirmed by the team, the requisite quorum is present, i call the meeting to Order.



To begin the proceedings Let me first introduce my Colleagues on the Board

1. Mr. Shashank Agarwal, Deputy Managing Director
2. Mr. Sunil Mehta, Executive Director
3. Mrs. Usha Agarwal, Non Executive Director of the Company
4. Mr. Prem Singh Khamesra Independent Director and Chairman of the Audit Committee
5. Mr. Subodh Kumar Independent Director and chairman of the Stakeholders Relationship Committee
6. Mr. Akshay Kumar Gupta Independent Director and chairman of the Nomination and Remuneration Committee
7. Mr. Dharam Bir Prasad Independent Director

Also with us the team of Statutory Auditors M/s Rajiv Mehrotra and Associates , the team of Secretarial Auditors M/s Adesh Tandon & Associates who are also the scrutinizers for the e-voting and CFO of the Company Mr. Vishal Jain are present. You have already interacted with the Company Secretary of the Company Mr. Ankur Srivastava.

With the permission of the members, notice convening the Annual General Meeting, Directors' Report and the Financial Statements for the year ended 31<sup>st</sup> March, 2022 are taken as read. Please take note that there is no adverse remark in the Auditors Report, hence, Auditors Report may also be taken as read. The members may raise the questions on the Financial Statements and the same will be replied through email.

Thereafter, Company Secretary requested the Chairman to deliver his speech for the esteemed shareholders.

**Chairman Cum Managing Director Shri Manoj Agarwal delivered his speech:**

Dear Shareholders, Fiscal 2021-22 was a transformative year, unlike any previous years. The year began with the second wave of Covid-19 and ended with geopolitical uncertainties creating further challenges for business. While the pandemic waded, thankfully not bringing along the severity of lockdowns witnessed earlier, it continued to disrupt business globally.

While we were able to show a top line growth of 39% reaching a turnover of Rs. 638 Cr. for the fiscal year under review, the impact of rising input costs for commodities and logistics brought down our profitability. A visible demand contraction in the western economies which are plagued with a looming recession and historical high rates of inflation has not helped matters. However, in the year gone by the team delivered a healthy growth in volumes across product offerings

The year also saw two very significant moves towards a sustainable future from the company. The power purchase agreement for sourcing solar power was fully operationalised during the year at all the three units of the company. In addition, we entered into a contract for a 2750 KWp roof top solar power installation system at Unit 3 under the Opex mode. Hopefully by the end of the year almost 50% of our power requirements shall be met through renewable energy sources

Your company has a history of weathering many storms and has shown the resilience to surpass all odds. The ongoing geo political crises coupled with the recession in our principal markets of the EU and USA is posing new challenges for the management as the current year progresses.



Your Company has planned to diversify into Flexible Films. We are on track with land and building although as already reported the supply of plants and machines are delayed by 2-3 months and the estimated date of commissioning has moved towards the end of the first quarter of next year.

As we move ahead we are guided by a strong business purpose and commitment to stabilising the company. These values form an integral part of our future as we look forward to emerging opportunities ahead.

**Company Secretary Mr. Ankur Srivastava conducted the Question Answer Session:**

Shareholders who have sent their questions and registered themselves as Speaker Shareholders will be called one by one and they are requested to raise their questions:

**Shareholder no. 1 Mr. Praveen Sharma DP ID: IN30021412449439 raised below mentioned questions:**

1. Cast Polypropylene business:

- What is the reason for our diversification from our core competency i.e. FIBC related business to a new line of business i.e. CPP film?
- As per our understanding there are already very large players in CPP business (Like Jindal, Cosmo, UFLEX etc) and they too have large expansion plans. How do we see ourselves competing with these companies and grow?
- What are the growth opportunities CPP film business offers? How do we see the CPP business in three years from now?
- What are the ball park margins in CPP business?

2. What are the reasons for a subdued profit margins of our company in FY2021-2022 and how do we plan to overcome these obstacles in ongoing financial year?

3. To overcome the trap of commoditization of FIBC, are we continuously looking for new markets and application to move up the value chain and protect our margins? Do we have any dedicated and core business development team which continuously explores new applications, markets and opportunities?

4. What is the size of our marketing and business development team and how is the team exactly structured?

5. **"Green FIBC:"** We have done remarkably well in moving towards Solar power, thereby reducing our greenhouse gases and carbon foot print significantly. Are we trying to market our "green FIBC" aggressively in export markets, especially environmentally sensitive countries (like lots of buyers in Europe are demanding "Green steel"? Do we intend to secure any ESG compliance and/or carbon credits for our exemplary work in moving towards Solar power?

**Shareholder No. 2 Mr. Arunkumar Selvaraja DP ID-Clients ID: 1203320051437849 raised below questions:**

**(Although, he could not connect, due to some technical reasons, but his questions as already received by the Company were noted and taken by the Chairman while giving his answers)**



1. Can you please throw some light on the order book for the current year ?
2. Domestic sales have almost doubled.
  - Can you please share more insights into it ? Is this sustainable ?
  - Can you please share the volume/realization split for domestic ?
3. CPP film expansion:
  - Can you please provide the break-up of the source of funds for this capex i.e debt/internal accruals ?
  - Out of 35.62Cr capex last year, I see land and building costs of ~17.5Cr in the assets schedule. Is this for Fabric, FIBCs and an additional line of MFY or have we started accounting for CPP film expansion already ?
  - Typically what are the Asset Turns for this CPP film product ? What is the EBITDA margin expected here (assuming current Raw Material prices) ? Can you give some guidance on this ?
4. Subsidiaries:
  - Regarding the new subsidiary in Brazil, how big a market is this ? Just trying to understand the rationale behind setting up a subsidiary instead of our regular export like any other geography ?
  - Do we intend to set-up similar ones for other geographies as well ?
  - We have invested 4.65Cr on our existing subsidiaries. Both of them are at a loss at the PBT level . What's the future plan here ? Also, what is the value addition for our company ?
  - If I'm reading it correctly, we seem to have bought freehold land for ~4.34Cr in FY22 through the subsidiary. Which subsidy is this and can you please provide some insight on the plan here ?
5. Can you please share margins for domestic/export sales individually ?

Thereafter as there was no other registered shareholder for the Question Answer session, Company Secretary closed the Q/A session.

**Company Secretary Mr. Ankur Srivastava continued:**

Thank you. We have noted the questions of the shareholders and appreciate the concerns raised by the shareholders. Thereafter he requested the Chairman to give answer to the questions of the shareholders.

**Answers by Chairman Cum Managing Director Mr. Manoj Agarwal:**

Dear Shareholders, Before giving the answers, I would like to thank to all the shareholders and appreciate the concerns raised by all of you.

As i have noted that shareholders have raised questions and concerned about our recent diversification, Current scenario of order book, profitability, subsidiaries and renewable power activities. I will give a consolidated reply which will cover all the points raised by the shareholders.

**1. Cast Polypropylene business:**



**a. What is the reason for our diversification from our core competency i.e. FIBC related business to a new line of business i.e. CPP film**

Diversification helps us in reducing risk and help to expand new market / new geography for higher profitability.

**b. As per our understanding there are already very large players in CPP business (Like Jindal, Cosmo, UFLEX etc) and they too have large expansion plans. How do we see ourselves ompeting with these companies and grow**

Looking at potential growth of product and demand, we do not see these players as a threat. We have done competitive analysis to understand our target customers. We have understood competitor's business model and that gives us a better understanding to strategize our sales pitch. Our objective is to change, innovate, and improve our business processes to help us to become better than the competitor.

**c. What are the growth opportunities CPP film business offers? How do we see the CPP business in three years from now**

Flexible packaging business is about 20 times bigger industry than industrial packaging and hence, it is the first step into flexible packaging. Due to the recyclability concerns, most of the FMCG companies are moving to single polymer structure where CPP will see rapid growth. This industry is at a deflection point to rapid growth in the future.

**d. What are the ball park margins in CPP business**

As it is a well known fact that there are less than 1% forecasts which come true, so papers can mean anything, but in general the entire packaging industry moves under the same range of 8-15% EBIDTA margins and we expect the same.

**e. source of finance**

Sources of funding of the CPP project are Internal Accruals worth Rs. 34 Cr. plus debt Rs. 62 Crores in the form of term loans from banks. Land and Building worth Rs. 17.5 cr. was acquired majorly for CPP Project.

**2. Reasons of Affected Profit in the year 2022. Order Book, Marketing position and bifurcation of Domestic business margins of export and domestic market. Plans to overcome in the current year.**

This is to inform that during the year 2021-22 the turnover of the Company was Rs. 637 Crores as against Rs. 459 Crores for the FY 2020-21 which recorded an increase about 39% from previous year. Production recorded an increase about 15% and Sales recorded 16% growth YoY, in terms of quantity. Profit before Tax was Rs. 37 Crores against Rs. 44 Crores and Net Profit was Rs 26.21 Crores against Rs. 30 Crores. So the top-line was significantly improved but margins were affected due to high volatility in Raw Material Prices, increased competitive pressure from market and the impact of the Ukraine War in the last quarter. The extraordinary increase in ocean freight resulted in resistance from buyers impacting sales.

Current Financial year is also affected with most of the above reasons. You have seen the results of Q1 of current financial year. During Q1 2022-23 the Company's total income was Rs. 145.23 Crores as against Rs. 146.24 Crores in the previous year corresponding quarter. Production and Sales in quantity terms were slightly reduced by about 2.53% and 4.5%, respectively. It was also noted that inspite of slight lower



turnover, the margins were more affected due to high volatility in Raw Material Prices, increased competitive pressure from market and majorly from MtM loss on FCTL.

The order book position is not so healthy in the current year due to recession setting in the EU and USA. Additionally our major market for fabric was Brazil which has installed its own manufacturing capacity over the last two years.

Domestic sales were made to cater to the food grain business which is seasonal in nature and based on the government tenders. However, we plan to continue this business this fiscal as well.

Marketing is headed by a professional with over 12 years of international marketing experience under active leadership of the Deputy Managing Director of the Company. He is supported by a team of executives and Senior managers to cover various aspects of the department.

Market development is an ongoing exercise. Last fiscal we have added 20 customers and 3 new geographical areas.

### **3. Update on Subsidiaries**

Land worth Rs. 4.34 Crores was purchased by Bright Choice Ventures Private Limited a wholly owned subsidiary company at a location very close to our current units as a matter of strategy and opportunity. Currently there are no operations in the Subsidiary Companies.

The foreign subsidiary in Brazil was setup to stock and sell in a market where we were dominant. The outcome of the efforts will come in the current fiscal. Currently there are no plan for any other overseas subsidiary Company.

### **4. Renewable Energy as rightly mentioned by Mr. Praveen.**

We were the first in the region to install roof top solar panels way back in the year 2014. As promised last year that we were targeting to achieve more than 40% power needs through renewal energy sources which has been surpassed. Currently there is no plan to create a “GREEN FIBC.”

I hope i have answered all the queries raised by the shareholders. Thankyou.

**Company Secretary Mr. Ankur Srivastava :** Thank you So much Chairman Sir. I hope these brief answers would satisfactorily cover all the queries. We now move to the next part of the proceedings and requested Chairman Sir to please put up the agendas of the AGM to vote.

### **Chairman Cum Managing Director Mr. Manoj Agarwal put the resolutions to Vote:**

I trust you must have received the Annual Report and Notice of the AGM and noted the agendas for which you have to vote. Let me remind you that voting will close after 15 minutes from the time of closure of this meeting.

Thereafter Chairman Cum Managing Director put all the resolutions to vote.



**Chairman Cum Managing Director's Closing remark:**

I express my sincere thanks to all of you for sparing your time to attend this meeting and for your kind cooperation during the meeting. We appreciate your continued support and express our gratefulness to all of you.

In addition, I would take this opportunity to express our thanks to various Government Authorities and Bankers for their continued support in course of Company's operations.

There being no other matter to be carried, i declare this meeting to be concluded.

Stay safe and take good care of your health.

Meeting concluded at 12:28 PM.

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**Transcript of the 51<sup>st</sup> Annual General meeting of the Company**  
**Held on 2<sup>nd</sup> September, 2022 at 12:00 Noon through Video Conferencing**

**Introduction by the Company Secretary of the Company Mr. Ankur Srivastava**

Good After noon Dear Shareholders !

My Name is Ankur Srivastava and I am the Company Secretary of your Company. I warmly welcome all of you to this 51<sup>st</sup> Annual General meeting of Kanpur Plastipack Limited. Hope you all are safe and healthy.

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The Company had provided the facility to the shareholders to exercise their voting rights through electronic voting. And for the benefit of the shareholders, who are present in the meeting and who had not already voted electronically, the Company has provided facility of e-voting in this meeting as well and the Shareholders who have not already casted their vote through remote e-voting may cast their vote after the proceedings of the meeting.

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Now i request Chairman cum Managing Director of the Company Shri Manoj Agarwal ji to address to the shareholders and start the proceedings of the AGM.

**Opening Address by the Chairman Cum Managing Director Mr. Manoj Agarwal:**

Good Afternoon Ladies and Gentlemen it is time to start the proceedings of 51<sup>st</sup> Annual General Meeting of Kanpur Plastipack Limited. I welcome all of you in this virtual AGM. Hope you all are safe and healthy.

I express my gratitude to all the Shareholders of the Company for their continued support and confidence with the Company. I also thank my colleagues on the Board for their valuable guidance and support.

As confirmed by the team, the requisite quorum is present, i call the meeting to Order.



To begin the proceedings Let me first introduce my Colleagues on the Board

1. Mr. Shashank Agarwal, Deputy Managing Director
2. Mr. Sunil Mehta, Executive Director
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6. Mr. Akshay Kumar Gupta Independent Director and chairman of the Nomination and Remuneration Committee
7. Mr. Dharam Bir Prasad Independent Director

Also with us the team of Statutory Auditors M/s Rajiv Mehrotra and Associates , the team of Secretarial Auditors M/s Adesh Tandon & Associates who are also the scrutinizers for the e-voting and CFO of the Company Mr. Vishal Jain are present. You have already interacted with the Company Secretary of the Company Mr. Ankur Srivastava.

With the permission of the members, notice convening the Annual General Meeting, Directors' Report and the Financial Statements for the year ended 31<sup>st</sup> March, 2022 are taken as read. Please take note that there is no adverse remark in the Auditors Report, hence, Auditors Report may also be taken as read. The members may raise the questions on the Financial Statements and the same will be replied through email.

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**Chairman Cum Managing Director Shri Manoj Agarwal delivered his speech:**

Dear Shareholders, Fiscal 2021-22 was a transformative year, unlike any previous years. The year began with the second wave of Covid-19 and ended with geopolitical uncertainties creating further challenges for business. While the pandemic waded, thankfully not bringing along the severity of lockdowns witnessed earlier, it continued to disrupt business globally.

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The year also saw two very significant moves towards a sustainable future from the company. The power purchase agreement for sourcing solar power was fully operationalised during the year at all the three units of the company. In addition, we entered into a contract for a 2750 KWp roof top solar power installation system at Unit 3 under the Opex mode. Hopefully by the end of the year almost 50% of our power requirements shall be met through renewable energy sources

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**Company Secretary Mr. Ankur Srivastava conducted the Question Answer Session:**

Shareholders who have send their questions and registered themselves as Speaker Shareholders will be called one by one and they are requested to raise their questions:

**Shareholder no. 1 Mr. Praveen Sharma DP ID: IN30021412449439 raised below mentioned questions:**

1. Cast Polypropylene business:

- What is the reason for our diversification from our core competency i.e. FIBC related business to a new line of business i.e. CPP film?
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3. To overcome the trap of commoditization of FIBC, are we continuously looking for new markets and application to move up the value chain and protect our margins? Do we have any dedicated and core business development team which continuously explores new applications, markets and opportunities ?

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5. **"Green FIBC:"** We have done remarkably well in moving towards Solar power, thereby reducing our greenhouse gases and carbon foot print significantly. Are we trying to market our "green FIBC" aggressively in export markets, especially environmentally sensitive countries (like lots of buyers in Europe are demanding "Green steel"? Do we intend to secure any ESG compliance and/or carbon credits for our exemplary work in moving towards Solar power?

**Shareholder No. 2 Mr. Arunkumar Selvaraja DPID-Clients ID: 1203320051437849 raised below questions:**

**(Although, he could not connect, due to some technical reasons, but his questions as already received by the Company were noted and taken by the Chairman while giving his answers)**



1. Can you please throw some light on the order book for the current year ?
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  - Do we intend to set-up similar ones for other geographies as well ?
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  - If I'm reading it correctly, we seem to have bought freehold land for ~4.34Cr in FY22 through the subsidiary. Which subsidy is this and can you please provide some insight on the plan here ?
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Thereafter as there was no other registered shareholder for the Question Answer session, Company Secretary closed the Q/A session.

**Company Secretary Mr. Ankur Srivastava continued:**

Thank you. We have noted the questions of the shareholders and appreciate the concerns raised by the shareholders. Thereafter he requested the Chairman to give answer to the questions of the shareholders.

**Answers by Chairman Cum Managing Director Mr. Manoj Agarwal:**

Dear Shareholders, Before giving the answers, I would like to thank to all the shareholders and appreciate the concerns raised by all of you.

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### **3. Update on Subsidiaries**

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The foreign subsidiary in Brazil was setup to stock and sell in a market where we were dominant. The outcome of the efforts will come in the current fiscal. Currently there are no plan for any other overseas subsidiary Company.

### **4. Renewable Energy as rightly mentioned by Mr. Praveen.**

We were the first in the region to install roof top solar panels way back in the year 2014. As promised last year that we were targeting to achieve more than 40% power needs through renewal energy sources which has been surpassed. Currently there is no plan to create a "GREEN FIBC."

I hope i have answered all the queries raised by the shareholders. Thankyou.

**Company Secretary Mr. Ankur Srivastava :** Thank you So much Chairman Sir. I hope these brief answers would satisfactorily cover all the queries. We now move to the next part of the proceedings and requested Chairman Sir to please put up the agendas of the AGM to vote.

### **Chairman Cum Managing Director Mr. Manoj Agarwal put the resolutions to Vote:**

I trust you must have received the Annual Report and Notice of the AGM and noted the agendas for which you have to vote. Let me remind you that voting will close after 15 minutes from the time of closure of this meeting.

Thereafter Chairman Cum Managing Director put all the resolutions to vote.



**Chairman Cum Managing Director's Closing remark:**

I express my sincere thanks to all of you for sparing your time to attend this meeting and for your kind cooperation during the meeting. We appreciate your continued support and express our gratefulness to all of you.

In addition, I would take this opportunity to express our thanks to various Government Authorities and Bankers for their continued support in course of Company's operations.

There being no other matter to be carried, i declare this meeting to be concluded.

Stay safe and take good care of your health.

Meeting concluded at 12:28 PM.

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