



G.K.P. PRINTING & PACKAGING LTD.

GALA NO 14, AMRUT IND. EST., S. No. 45 DHUMAL NAGAR, WALIV IP-12025, PALGHAR, MAHARASHTRA - 401208. INDIA

CIN : U21012MH2018PLC307426

Email: gkpackaging@yahoo.com. Mob: +91 9920037770 / +91 93221 37770

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Justification of rise in turnover and PAT figures

Gorodia Family promoters of GKP Printing & Packaging Limited are engaged in the business of manufacturing of corrugated boxes and trading of craft papers and related items. The family was running three proprietorship firms and was carrying on the above business successfully. The details of the three firms is as under

- GK Packaging proprietor Mr. Keval Harsha Goradia
- Pratham Packaging proprietor Mrs. Payal Keval Goradia
- KP Prints & Packs Proprietor Mrs. Geeta Goradia

With the purpose to consolidate the business and gain the benefits of listing, promoters family decided to carry on the family business in Limited company and come up with an IPO for raising funds for the growth of business.

During the discussions and structuring of the IPO, it was decided by the promoter's family to consolidated two firms namely a). GK Packaging & b). Pratham Packaging into new Limited Company and close down business of business of KP Prints & Packs and transfer all its business into the new entity.

The combined sales turnover and profit of the two firms and new merged entity for current year and for the FY 2017-18 and earlier years are as under

a). Combined turnover details

(Amount in Cr)

Financial Year	GKP Printing & Packaging Ltd		GK Packaging & Pratham Packaging		Grand Total		
	Trading	Manufacturing	Trading	Manufacturing	Trading	Manufacturing	Total
December, 18 (9 Months)	6.96	12.13	0.00	0.00	6.96	12.13	19.09
2017-18	0.00	0.00	0.00	14.07	0.00	14.07	14.07
2016-17	0.00	0.00	0.00	5.69	0.00	5.69	5.69
2015-16	0.00	0.00	0.00	5.11	0.00	5.11	5.11

b). Combined Profit Details

(Amount in Lacs)

Financial Year	GKP Printing & Packaging Ltd	GK Packaging & Pratham Packaging	Grand Total
December, 18 (9 Months)	2.75	0.00	275.00
017-18	0.00	0.55	55.00
2016-17	0.00	0.25	25.00

K. H. Goradia



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The merger of two firms and transfer of business of KP prints and packs into GKP Printing and Packaging Limited has resulted into the synergies of expenses and better bargain powers and margins as compare to earlier business model.

Reasons for Increase in Turnover and profit of the merged entity for the FY 2018-19 are under

- The merged entity has started new activity of trading in paper in additions to manufacturing of corrugated boxes. This was the main reason for increase in the turnover of the firm. Total turnover of merged entity is Rs.19.08 Cr for the first nine months and same as bifurcated as Rs.6.96 as trading turnover and 12.13 Cr has manufacturing turnover. The manufacturing turnover is in line with the last year turnover of two merged entity for the full year i.e. Rs. 14.07 Cr for the FY 2016-17. The increase is mainly due to introduction of trading turnover in the merged entity.
- The PAT has risen significantly due to introduction of trading turnover in the merged entity which was nonexistent in the earlier business model of two merged entity. The fixed cost of the company are same but extra margins in the trading turnover has resulted in bumper profits for the merged entity.
- The rise in trading turnover is due to fresh huge orders in hand with the company which could not be fulfilled with the existing production facility of the merged entity. In order to increase the manufacturing facility, the company has set up new unit in the VAPI to cater the demand. **The unit is made operation from 27th December, 2018 only and its production figures will start flowing from January, 2019 only.**
- **The company trading turnover will be replaced by manufacturing turnover in the FY 2019-20 due to introduction of new manufacturing unit.**

K.H. Garedia

