



BOARD OF DIRECTORS

Mr. G.S. Kandoi	:	Chairman cum Managing Director
Mr. Manish Singhal	:	Executive Director
Mr. R. C. Maheswari	:	Whole Time Director
Mrs. Savitri Kandoi	:	Non-Executive Director
Mr. Nitin Jaipuria	:	Independent Director
Mr. Rameshwar Pareek	:	Independent Director
Mr. Kamlesh Sharma	:	Independent Director
Mr. Raj Kumar Agarwal	:	Independent Director

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MANAGEMENT EXECUTIVE

Company Secretary & Compliance Officer
CS Navita Khunteta

Chief Financial Officer
Shiv Ratan Sharma

BANKER

STATE BANK OF BIKANER & JAIPUR
STATE BANK OF INDIA

AUDITORS

M/s R Sogani & Associates
Chartered Accountants
C-Scheme, Jaipur-302015

SECRETRIAL AUDITOR

M/s. Arms & Associates LLP
Company Secretary in Practice, Jaipur

REGISTRAR & SHARE TRANSFER AGENT

M/s. Niche Technologies Pvt. Ltd
D-511, Bagree Market, 71, B. R. B. Basu Road
Kolkatta – 700001

DEPOSITORY PARTICIPANT

National Securities Depository Ltd.
Central Depository Services (India) Ltd.

WORKS

1. SP-4/3, RIICO Industrial Area,
Village & Post Keswana, Tehsil Kotputli,
District Jaipur-303108
2. C-171, Road No.9 J, VKI Area, Jaipur
302013



MISSION STATEMENT

TO BE THE GLOBAL MANUFACTURER AND SUPPLIER OF THE
HIGHEST QUALITY PRODUCTS AND SERVICES AT A
REASONABLE PRICE TO SATISFY
CUSTOMERS WORLDWIDE

VISION

WE ARE DEDICATED TO DELIVER SUPERIOR
STAKEHOLDER VALUE WITH PASSION AND
ENTREPRENEURIAL SPIRIT

VALUE

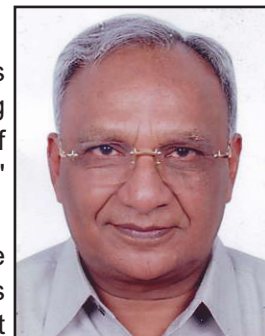
INTEGRITY - NEVER COMPROMISED



CHAIRMAN'S MESSAGE

Dear Fellow Shareowners,

My colleagues on the Board and I extend warm welcome and express their gratitude to the all present here at this 35th Annual General Meeting of your Company. The Board Report and Audited Financial Statements of the Company for the year ended March 31, 2015 along with the Auditors' Report thereon has been with you.



Strengthening of the rupee against the US Dollar will adversely impact the realization from exports and consequently affect the balance of payments of the country. Global economy growth has been on decline for the last few years. In spite of that, it is pleasing to report you that we delivered on our commitments. We are delighted to see our revenue from operation achieving new milestone of Rs.18589.93 lacs in FY 2014-15 as against Rs.15104.95 lacs in FY 2013-14, an increase of 23.07% on a year on year basis. KGPL also achieved its record level of export (FOB) Rs. 14810.95 lacs in F.Y. 2014-15 as against Rs. 10835.35 lacs in FY 2013-14, thus increased by 36.69 %. These results were fuelled by the remarkable acceptance of our product in overseas as well as in domestic market.

Expansion, which we planned and discussed at the time of last annual general meeting, has been completed successfully and production of both Printing and Weaving has commenced.

During this year the Ministry of Commerce and Industry, Government of India has introduced the new Foreign Trade Policy 2015-20 which replaced the Foreign Trade Policy 2009-2014. The new policy will adversely affect the profitability of the company during the F.Y 2015-16 onwards as the reward rate under Merchandise Export From India Scheme (MEIS) has been reduced from 4% of FOB Value to 2% of FOB Value and the applicability of the same is restricted to limited countries i.e. European Union, USA, Canada, Switzerland, Norway and Japan.

The KGPL under its executive management team is focused on capitalizing on new opportunities and investing in growth while exercising prudence where required in context of challenges in the environment. I believe this strategic approach will drive continued strong performance in the next year ahead. I would like to extend my gratitude to all our stakeholder including the staff members and customers for their continued support in shaping the performance of the company.

With Best Wishes,

G.S. KANDOI

Chairman



NOTICE

Notice is hereby given that the 35th Annual General Meeting of members of K G PETROCHEM LIMITED will be held on Wednesday, 30th day of September, 2015 at 3.00 P.M at C-171, Road No 9J, VKI Area, Jaipur 302013, Rajasthan to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement of the company for the year ended 31.03.2015 together with the report of the Board of Directors and Auditors.
2. To appoint a Director in place of Shri Manish Singhal (DIN: 00120232), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3. To consider and ratify the appointment of Statutory Auditors of the Company for the financial year 2015-16 and to fix their remuneration and in this regard 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 Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 and subject to approval by members of the Company, the appointment of M/s. R Sogani & Associates, Chartered Accountants (FRN 018755C), as the Statutory Auditors of the Company for a term of consecutive five years starting from conclusion of the 34th Annual General Meeting till the conclusion of 39th Annual General Meeting of the Company be and is hereby ratified at the 35th Annual General Meeting of the Company at such remuneration as may be finalized by the Board of Directors of the Company in consultation with the Auditors.”

SPECIAL BUSINESS:

4. **To consider the increase in remuneration of Shri Gauri Shanker Kandoi (DIN 00120330) Managing Director of the company and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:**

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 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), and on the recommendation of the Nomination and Remuneration Committee, Consent of the Company be and is hereby accorded to revise and increase the remuneration from Rs. 4.00 Lacs P.M. to Rs.6.00 Lacs P.M. of Shri Gauri Shanker Kandoi, Managing Director of the Company effective from 01.10.2015 and the detailed terms and conditions mentioned in the Statement annexed to the Notice convening this Meeting.

5. **To consider the increase in remuneration of Shri Manish Singhal (DIN 00120232) Whole Time Director of the company and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:**

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 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), and on the recommendation of the Nomination and Remuneration Committee, Consent of the Company be and is hereby accorded to revise and increase the remuneration from Rs. 4.00 Lacs P.M. to Rs.6.00 Lacs P.M. of Shri Manish Singhal Whole Time Director of the Company, effective from 01.10.2015 and the detailed terms and conditions mentioned in the Statement annexed to the Notice convening this Meeting.

6. **To consider the increase in remuneration of Shri Ramesh Chand Maheshwari (DIN: 00091429) Whole-time Director of the company and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:**

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 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), and on the recommendation of the Nomination and Remuneration Committee, Consent of the Company be and is hereby accorded to revise and increase the remuneration from Rs.34,000/- P.M. to Rs. 37000/- P.M of Shri Ramesh Chand Maheshwari Whole-time Director of the Company effective from 01.10.2015 and the detailed terms and conditions mentioned in the Statement annexed to the Notice convening this Meeting.

By the order of the Board
For KG Petrochem Limited

Gauri Shanker Kandoi
Managing Director
DIN NO. : 00120330

Date : 14th August, 2015
Place: JAIPUR



Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. The Register of Member & Share Transfer Book of the company will remain closed from 24rd September to 30th September, 2015 (both days inclusive).
4. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Registrar.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar
6. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
7. Members are requested to put their signature at the space provided on the attendance slip annexed to the proxy form and handover the slip at the entrance of the place of the meeting.
8. Members are requested to bring their copies of Annual Report to the meeting.
9. Shareholders desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.
10. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules 2014, the company please to provide the member the facility to exercise their right to vote at 35th Annual General Meeting by electronic means. The Business may be transacted through e-voting service provided by CDSL.
11. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
12. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
13. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
15. **VOTING THROUGH ELECTRONIC MEANS**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - III. The process and manner for remote e-voting are as under:
 - (i) The remote e-voting period commences on 27th September, 2015 (10:00 am) and ends on 29th September, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period



- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha -numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format
Bank Account Number (DBD)	Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio. <ul style="list-style-type: none">Please Enter the DOB or Bank Account Number in order to Login.If both the details are not recorded with the depository or company then please enter the member-id / folio number in the Bank Account Number details field as mentioned in above instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company Name i.e. K G Petrochem Limited on which you choose to vote.on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders & Custodians :



- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user which should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xiii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
16. Institutional Members / Bodies Corporate (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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at cssandeep@armsandassociates.com with a copy marked to helpdesk.evoting@cdslindia.com on or before 29th September, upto 5:00 pm without which the vote shall not be treated as valid.
 17. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2015.
 18. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 14th August, 2015.
 19. The shareholders shall have one vote per equity share held by them as on the cut-off date of 23rd September, 2015. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
 20. Since the Company is required to provide members the facility to cast their vote by , electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2015. and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
 21. Notice of the AGM along with attendance slip, proxy form along with the process, instructions and the manner of conducting e-voting is being sent electronically to all the members whose e-mail IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of the same are being sent through the permitted mode.
 22. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e. 23rd September, 2015. are requested to send the written / email communication to the Company at jproffice21@bhavik.biz by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
 23. Mr. Sandeep Jain of M/s. ARMS and Associates LLP , Practicing Company Secretary (FCS 5398) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit, not later than 3 days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 24. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kgpetro.in and on the website of CDSL. The same will be communicated to the listed stock exchanges viz. Bombay Stock Exchanges where shares are Listed.



ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT
TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4, 5 and 6

The Board of directors at their meeting held on 14th day of August, 2015 on the recommendation of the remuneration and nomination committee has approved the revised increased remuneration of Shri Gauri Shankar Kandoi, Managing Director of the Company, Shri Manish Singhal and Shri Ramesh Chand Maheshwari Whole Time Directors of the Company effective from 01.10.2015 on such terms and conditions as detailed below:

Name	Gauri Shankar Kandoi	Manish Singhal	Ramesh Chand Maheshwari
Designation	Managing Director	Executive Whole Time Director	Executive Whole Time Director
Salary inclusive of all allowances	Rs.600000 per month or as may be decided by the board of directors	Rs.600000 per month or as may be decided by the board of directors	Rs.37000 per month or as may be decided by the board of directors
Perquisites in addition to salary	<p>A. Housing: The expenditure incurred by the Company on hiring unfurnished accommodation subject to a Ceiling of sixty percent of the salary. In case the accommodation is owned or taken on lease by the Company, the company shall deduct ten percent of the salary of the Directors.</p> <p>B. Expenditure incurred by the company on Gas, Electricity, Water etc. will be valued as per Income Tax Rules, 1962.</p> <p>C. Medical/Hospitalization Expenses Reimbursement of Expenses incurred for the Directors and the family in accordance with the rules of the company.</p> <p>D. Leave Travel Concession: Leave Travel Concession for self and family in accordance with the rules of the company.</p> <p>E. Club Fees: Fees of Clubs subject to maximum of two clubs, admission and life membership fees to be paid as per rules of the Company.</p> <p>F. Personal Medical/ Accident Insurance etc.: Coverage for Personal Medical/ Accident Insurance/ Keyman Insurance or any other coverage as per rules of the Company and annual premium for the same to be paid by the Company.</p> <p>Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes.</p> <p>Notes: For the purpose of perquisites stated herein above, family means spouse, dependent children and dependent parents of the Directors.</p> <p>Perquisites shall be evaluated as per Income Tax Rule wherever applicable and in the absence of any such rule. Perquisites shall be evaluated at actual cost.</p>		
Retirement Benefits	<p>A. Company's Contribution towards Provident Fund, Super-annuation fund or Annuity Fund shall be as per the Rules of the Company and this amount shall not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act 1961.</p> <p>B. Gratuity payable shall be in accordance with the rule of the company.</p> <p>C. Earned Leave on full pay and allowances as per the rules of the Company, leave accumulated shall be encashable of Leave at the end of the tenure, if any, will not be included in the computation of the ceiling on perquisites.</p>		
Other benefits	<p>A. Provision of car with Driver for use in Company's Business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company</p> <p>B. The appointee shall be entitled to reimbursement of entertainment expenses actually and properly incurred during the course of legitimate business of the company.</p>		
Minimum Remuneration	Where in any financial year during the currency of tenure of the directors, the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary and perquisites not exceeding the limits as specified above.		



Statement of Particulars pursuant to Schedule-V of The Companies Act, 2013

1. General Information

Nature of industry	The Company is engaged in the business of manufacturing of Textiles, Garments, and distribution of Polymers with manufacturing facilities located at Rajasthan
Date or expected date of commencement of commercial production.	The Company is already in production from many years.
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable
Financial performance based on given indicators.	During the financial year ended on 31st March, 2014 the turnover of the Company was Rs. 151.05 Crores and Profit Before Tax (PBT) was Rs. 9.78 Crores. Whereas during the financial year ended on 31st March, 2015, the turnover of the Company is Rs.185.90 Crores and Profit Before Tax (PBT) is Rs.5.63 Crores. The management has worked efficiently in the best interest of the Company and the Company is expanding its activities despite sluggish market conditions.
Foreign Investments or collaborators, if any.	No such investment or collaboration except minor shareholding of Non Resident Indians, if any.

2. Information about the Directors

Name	Gauri Shankar Kanodi	Manish Singhal	Ramesh Chand Maheshwari
Background Details	He is founder of the company. He has completed his B.E. in Mechanical from BITS Pilani and is having experience of about 50 years in running and managing the industries.	He is son of Shri Gauri Shankar Kandoi founder of the company. He has completed his B.Tech from IIT Delhi and M.S. in Chemicals from University of Florida, USA and is having experience of more than 15 years.	He is a commerce graduate and is having experience of about 30 years in various industrial activities.
Past Remuneration	Rs.4,00,000 per month	Rs.4,00,000 per month	Rs. 34,000 per month
Recognition or awards			
Job profile and his suitability	Managing Director looking after Management and Finance	Executive Director and looking after production and marketing	Executive Director looking after marketing
Remuneration proposed	Rs.6,00,000 per month	Rs.6,00,000 per month	Rs.37000 per month



Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	Taking into account the turnover of the Company and responsibilities of the directors, the remuneration being proposed to be paid to them is reasonable and in line with the remuneration levels in the industry across the country.		
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.	Relative of Manish Singhal and Savitri Kandoi and holds 1089107 equity shares in the company	Relative of Gauri Shankar Kandoi and Savitri Kandoi and holds 1237625 equity shares in the company	Nil

Justification of Remuneration of Shri Gauri Shankar Kandoi

Gauri Shankar Kandoi is more than 70 years old. He is the founder director and promoter of the company and is still actively involved in the business of the company. With his able guidance company is progressing to new heights. Therefore board is of the opinion to increase his remuneration in spite of his old age.

3. Other Information

Reasons of inadequate profit	Company has earned profit before tax of Rs.5.63 Crores during the year ended 31.03.2015. The company has managed to increase the profit on year to year basis but still the profit is inadequate to meet the minimum payment required to retain the senior executives.
Steps taken or proposed to be taken for improvement	Company is taking steps to improve the sales and profit margin.
Expected increase in the productivity and profits in measurable terms.	Company is expanding its business in new line of products this will help the company to increase its sales and profit

4. Disclosures

Information on the remuneration package of the managerial personnel	The shareholders are notified of the remuneration package of managerial personnel through abstracts of terms circulated to them as well as explanatory statement annexed to the notice of meeting in which proposal of their appointment is placed before the shareholders.
Disclosure on remuneration package and other terms of Directors under 'Corporate Governance' Report	The Corporate Governance Report forms part of the Annual Report for the year and the remuneration package and other terms applicable to the Directors have been disclosed therein.

Except Shri Gauri Shanker Kandoi, Shri Manish Singhal and Shri Ramesh Chand Maheshwari and their relatives none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested in these resolutions.

Brief Details of Directors Seeking Appointment /Re- appointment As required under clause -49 of the Listing Agreement with the Stock Exchange(s)

Name of director	Mr. Gauri Shanker Kandoi	Mr. Manish Singhal	Mr. Ramesh chand Maheshwari
DIN	00120330	00120232	00091429
Date of Birth	07.11.1943	10.08.1972	18.05.1960
Nationality	Indian	Indian	Indian
Date of Appointment on the Board	05.09.2003	01.06.2000	29.09.2011
Qualification	B.E. (Mechanical) from Bits Pilani	M.S. Chemical From University of Florida USA & B.Tech. From IIT Delhi	B.Com.
Expertise in Functional Areas	Management and Finance	Management and Marketing	Marketing
Shareholding in company	1089107	1237625	Nil
Directorship held in other companies	Lawreshwar Polymers Ltd.	Nil	Nil
Chairmanships/Memberships of committees of Board of Director of other companies	2	Nil	Nil



Board's Report

To,
The Members of
K G Petrochem Limited

Your Directors have pleasure in presenting this **35th** Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2015.

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Particulars	Standalone	
	2014-2015	2013-14
Gross Income	19080.52	15370.01
Profit Before Interest and Depreciation	2633.45	2320.25
Finance Charges	920.95	577.43
Profit Before Depreciation	1712.50	1742.82
Depreciation	1130.55	745.49
Net Profit Before Tax	581.95	997.33
Provision for Tax	314.53	312.12
Net Profit After Tax	267.42	685.21

REVIEW OF OPERATIONS

During the Financial Year, the company was able to improve its performance in revenue from operation. The revenue from operation of the company for the year ended 31st March 2015 was Rs. 18589.93 lacs as against Rs. 15104.95 in F.Y 2013-14, an increase of 23.07% on a year to year basis.

The reduction in the profit for the year was due to increase in finance charges and depreciation.

Further Segment wise result of operation is as under:-

Textile Division

During the year, its revenue from operation was Rs. 18501.44 lacs including export sales of Rs 14810.95 lacs (fob) as against Rs. 15004.84 lacs including export of Rs. 10835.35 lacs in previous year, growth of 23.30%. The division has performed well during the year under review due to successful execution of expansion project.

Agency Division

During the year the agency division has sold HDPE/LLDPE Granules 21846 Mt. amounting to Rs 25581 lacs in comparison of 24679 Mt. amounting of Rs. 27456.93 lacs and earned commission of Rs. 88.43 lacs as compared to last year Rs. 100.11 Lacs

Garment Division

Garment division is doing job work for Textile Division.

MATERIAL CHANGE AND COMMITMENTS

There were no change in the business of the Company. There were no material changes and commitments effect the financial position of the company between 31 March, 2015 and the date of this report.

CREDIT RATING

CARE has reaffirmed the Company's long-term rating of CARE BBB-(Triple B Minus) and short-term rating of CARE A3(A three). It denotes moderate degree of safety regarding timely payment of financial obligations. The company is regular in making timely payments of all its financial obligations and it is expected that the rating shall further improve in the coming years.

LISTING STATUS

Shares of the Company are listed on the Bombay Stock Exchange. Company has initiated the process for delisting of shares and is taking necessary steps to get its shares delisted.

SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURES

The company does not have any subsidiary/associate/joint venture.



DIVIDEND

In order to conserve the resources of company the directors are not recommending any dividend.

There was no unclaimed / unpaid dividend, hence the company is not required to transfer any amount to Investor Education and Protection Fund (IEPF) pursuant to sections 205A and 205C of the Companies Act, 1956 and other applicable provisions.

SHARE CAPITAL

During the Financial Year 2014-15, there is no change in structure of share capital of the company.

MEETINGS OF THE BOARD OF DIRECTORS

During the year 2014-15, the six Board meetings were conveyed and held on 30/05/2014, 10/07/2014, 14/08/2014, 14/11/2014, 24/12/2014 & 14/02/2015. Other details pertaining to attendance at the meeting are given in Corporate Governance Report attached with this Report. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

- I. As on March 31, 2015, the Company has eight directors. During the year Smt.Savitri Kandoi was appointed as Director and all other non- executive non promoter directors have been re-designated as Independent Directors as per the provisions of Companies Act 2013.
Shri Manish Singhal retires by rotation and being eligible has offers himself for re-appointment.
- II. None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2015 have been made by the directors.
- III. Pursuant to the provisions of the Section 149(4) Companies Act, 2013 Mr. Nitin Jaipuria, Mr. Kamlesh Sharma, Mr. Raj Kumar Agarwal and Mr. Rameshwar Pareek were appointed as an independent director. Independent directors are non-executive directors as defined under Clause 49(II)(B)(1) of the Listing Agreement. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the independent directors have submitted declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year
- IV. During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.
- V. The names and categories of the directors on the board, their attendance at board and general meetings held during the year are given in Corporate governance Report

During the year company has appointed the following KMP's

Shri G S Kandoi	–	Managing Director
Shri Shiv Ratan Sharma	–	Chief Financial Officer
CS Navita Khunteta	—	Company Secretary

ANNUAL EVALUATION

The evaluation of the directors, KMPs and the senior officials of the company is to be conducted on annual basis to satisfy the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Company has prepared an annual performance evaluation policy for performance evaluation of Independent Directors, Board and the Committees.

Separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

SECRETARIAL AUDIT AND REPORT

According to provision of the section 204 of the Companies Act 2013 read with rule 9 of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report Submitted by **M/s Arms & Associates LLP, Practicing Company Secretaries**, for the financial year ended 31st March, 2015 is annexed herewith for your kind perusal and information. **(Annexure -I)**



RATIO OF REMUNERATION TO EACH DIRECTOR AND PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished in **(Annexure: II)**

There was no employee in the company drawing remuneration in excess of the limits set out in the Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

STATUTORY AUDITORS and REPORT thereon

Pursuant to the provisions of Section 139 of the Act and the rules framed there under, R Sogani & Associates, Chartered Accountants, (FRN 018755C) was appointed as statutory auditors of the Company from the conclusion of the thirty fourth annual general meeting (AGM) of the Company held on September 27, 2014 till the conclusion of the thirty-ninth annual general meeting to be held in the year 2019, subject to ratification of their appointment at every AGM. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of R Sogani & Associates, Chartered Accountants, as statutory auditor of the Company is placed for ratification by the shareholders.

Pursuant to Section 141 of the Companies Act, 2013 and relevant Rules prescribed there under, the Company has received certificate from the Auditors to the effect, inter-alia, that their re-appointment, would be within the limits laid down by the Act and that they are not disqualified for such re-appointment under the provisions of applicable laws

The observation of the Auditors in their report read with relevant notes on the accounts, as annexed are self-explanatory and need no elaboration.

COST AUDIT

As per Sub Rule (3) of Rule 4 of Companies (Cost Records & Audit), Rules, 2014, for the F.Y 2014-15 Cost Audit is not applicable on the company as the export turnover of the company is more than 75% of its total turnover.

VIGIL MECHANISM /WHISTLE BLOWER POLICY

The Company has formulated a vigil mechanism (whistle blower policy) for its directors and employees of the Company for reporting genuine concerns about unethical practices and suspected or actual fraud or violation of the code of conduct of the Company as prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement. This vigil mechanism shall provide a channel to the employees and Directors to report to the management concerns about unethical behavior, and also provide for adequate safeguards against victimization of persons who use the mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The Vigil Mechanism Policy has been uploaded on the website of the Company at <http://www.kgpetro.in>.

RISK MANAGEMENT POLICY

There is a continuous process of identifying/ managing risks through a Risk Management Process. The measures used in managing the risk are also reviewed. The risk identified by the company broadly fall in the category of operational risk, Regulatory risk, Financial and accounting risk and Foreign currency related risk. The Board and the Audit committee of the company periodically review and evaluate the risk management system of the company so that the management controls the risks through properly defined network.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in prescribed Form MGT-9 is annexed herewith as **(Annexure-III)**.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Management with Audit Committee periodically reviews the Internal Control System and procedure for the efficient conduct of the business. The Internal Auditor of the company conduct the audit on regular basis and Audit Committee actively review the Internal Audit Report.

DEPOSITS

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

LOANS, GUARANTEES AND INVESTMENTS U/s 186.

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable for the F.Y. 2014-15.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. During the Year, the company has not entered into any contracts / arrangements / transactions with related parties which could be considered material in accordance with the policy of the company on materiality of related party transaction.

Further all the necessary details of transaction entered with the related parties are attached herewith in **Form No. AOC-2 in Annexure: IV .**



CORPORATE GOVERNANCE

Our Company continues to be committed to good corporate governance and ethical corporate practice. A separate report on Corporate Governance on compliances with the conditions of Corporate Governance as per Clause 49 of the Listing Agreement with Stock Exchange is provided as part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

As per Section 135(5) of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and schedule VII of the Companies Act, 2013, the company has duly constituted CSR Committee. The committee has decided the activities to be undertaken by the company and the expenditures to be incurred on the same and recommended the same to the board thereafter the board approved the CSR policy. The other detail related to CSR is given in **Annexure-V**.

Additionally, the CSR policy has been uploaded on the website of the company <http://www.kgpetro.in>.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

Information on conversation of energy, technology absorption, foreign exchange earning and out go pursuant to sec. 134 of the Companies Act, 2013 read with Rule of the Companies (Accounts) Rules, 2014 is given in **Annexure VI** of the report.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTATION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has setup an internal complaints committee to redress complaints regarding sexual harassment for the F.Y. 2014-15. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. 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 and loss of the company for that period;
- c. 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;
- d. The directors had prepared the annual accounts on a going concern basis; and
- e. 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.
- f. 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.

APPRECIATION

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

For and behalf of the Board

Date : 14th August, 2015
Place: JAIPUR

Gauri Shanker Kandoi
CMD
DIN NO. : 00120330



Form No. MR-3

Annexure-I

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
K G Petrochem Limited
C-171, Road No. 9J, VKI Area, Jaipur-302013

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s K G Petrochem Limited (CIN L24117RJ1980PLC001999) (hereinafter called "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 K G Petrochem Limited 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 31st March, 2015 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 K G Petrochem Limited ("The Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- (I) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
 - (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable as the Company did not issue any securities during the financial year under review**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; now known as Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable as the Company has not granted any Options to its employees during the financial year under review.**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable as the Company has not issued any debt securities during the financial year under review**
 - (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 client; **Not Applicable as the Company is not registered as Registrar and Transfer Agents with SEBI**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during Audit Period)** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable as the Company has not bought back any of its securities during the financial year under review.**

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

- (I) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not Applicable for the period under audit)**
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited (BSE). During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Agreement.

Adequate notice is 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.



Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate 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 there were no specific events / actions having a major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above except the following:

- a) The company has obtained approval of the members under section 180(1) (c) of the Companies Act, 2013 by way of special resolution for borrowing upto Rs. 500 Crores over and above the aggregate of the paid up share capital and free reserves of the Company.

**For ARMS and Associates LLP
Company Secretaries**

**Date : 31st July, 2015
Place: JAIPUR**

**(Sandeep Kumar Jain)
FCS 5398 C.P.No.4151**

This report is to be read with our letter of even date which is annexed as 'Annexure –A' and form an integral part of this report.

ANNEXURE – A

**To,
The Members,
K G Petrochem Limited
C-171, Road No. 9J, VKI Area, Jaipur-302013**

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

1. Maintenance of Secretarial records 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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes 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. Where ever 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 the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report 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 ARMS and Associates LLP
Company Secretaries**

**Date : 31st July, 2015
Place: JAIPUR**

**(Sandeep Kumar Jain)
FCS 5398 C.P.No.4151**



Annexure-II

Disclosure of the Remuneration of the Managerial Personnel

S.No	Requirement of Rule 5(1)	Details					
1.	The ratio of the remuneration of each Director to the median employees of the company for the financial year.	1.Shree GauriShanker Kandoi: 50 2. Shree Manish Singhal: 50 3. Shree Ramesh Chand Maheswari: 4.25 None of the other directors received any remuneration during the Financial Year 2014-15.					
2.	The percentage increase in remuneration of each Director Chief Financial Officer, Company Secretary ,Chief Executive Officer or Manager,if any, in the Financial Year	<u>Director:</u> 1.Shree Gauri Shanker Kandoi:33.33% 2. Shree Manish Singhal:33.33% 3. Shree Ramesh Chand Maheswari:33.33% <u>Key Managerial Personnel:</u> 1. Shree ShivRatan Sharma.: Nil 2. Miss Navita Khunteta : Nil Not applicable as joined during the Year under review.					
3.	The percentage increase in the median remuneration of the employees in the Financial Year	18.50					
4.	The number of the permanent employee on theroll of the company	619 Employees as on 31.03.2015.					
5.	The explanation on the relationship between average increase in the remuneration and company performance;	The average increase in remuneration of all employees was for the year which was based on the company's policy and individual's performance					
6.	Comparison of the remuneration of the KMP against the performance of the company;	Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2014-15 (Rs. Lacs)				98.19	
		Revenue (Rs. Lacs)				18589.93	
		Remuneration of KMP's (as % of Income)				0.53%	
		Profit before Tax (PBT) (Rs. Lacs)				581.95	
		Remuneration of KMP's (as % of PBT)				16.87%	
7.	Variation in the market capitalisation of the company, price earnings ratio as on 31.03.2015	Date	Market Price in Rs. (BSE)	EPS in Rs.	P/E Ratio	Market Capital isation (In crore)	% Change
		31 March 2014	32.25	13.12	2.46	16.84	237.70% Increase
		31 March 2015	20.60	5.12	4.02	10.76	36.12% Decrease



8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the % increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	<p>Average salary increase of nonmanagerial employees is: 14</p> <p>Average salary increase of managerial employees is : 22</p> <p>There are no exceptional circumstances in the increase of managerial remuneration.</p>					
9.	Comparison of the each remuneration of the company of the KMP against the performance of the company.		Shree Gauri Shanker Kandoi (CMD)	Shree Manish Singhal (Director)	Shree Ramesh chand Maheswari (Director)	Shri Shiv Ratan Sharma (CFO)	Miss Navita Khunteta (CS)
		Remunerati on of Key Managerial Personnel (KMP) in FY 2014-15 (Rs. Lacs)	44.00	44.00	3.92	4.88	1.39
		Revenue (Rs. Lacs)	18589.93				
		Remunerati on of KMP's (as % of Income)	0.24	0.24	0.02	0.03	0.01
		Profit before Tax (PBT) (Rs. Lacs)	581.95				
		Remunerati on of KMP's (as % of PBT)	7.56	7.56	0.67	0.84	0.24
10.	The key parameters for any variable component of remuneration availed by the directors	The key parameters for any variable component of remuneration availed by the directors are considered by the Board of directors based on the recommendations of the Nomination and Remuneration Committee of the company.					
11.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year;	No employee received remuneration higher than the Chairman cum Managing Director.					
12.	Affirmation that the remuneration is as per the remuneration policy of the Company.	The remuneration paid during the year ended 31.03.2015 is as per the Remuneration Policy of the Company.					



FORM NO. MGT 9

Annexure-III

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and
Rule 12(1) of the Company (Management & Administration) Rules, 2014.**I. REGISTRATION AND OTHER DETAILS:**

- i. CIN : L 24117RJ1980PLC001999
 ii. Registration Date : 29th February 1980
 iii. Name of the Company : K G PETROCHEM LIMITED
 iv. Category / Sub-Category of the Company : Public Company/ Limited with Shares
 v. Address of the Registered office and contact details : C-171, Road No. 9J, VK I Area, Jaipur-302013, Phone no. : 0141-2331231
 vi. Whether listed company : Listed
 vii. Name, Address and Contact details of Registrar and Transfer Agent, if any : Niche Technologies Pvt. Ltd.
 D-511, Bagri Market, 5th Floor 71, B.R.B Basu Road, Kolkata -700001 Phone No.: 033-22357270/7271

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Cotton Terry Towel	131	99.50

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3375417	NIL	3375417	64.65	3636332	NIL	3636332	69.65	4.997
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A)	3375417	NIL	3375417	64.65	3636332	NIL	3636332	69.65	4.997



B. Public Shareholding									
1. Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	40715	262600	303315	5.810	349	262600	262949	5.036	(0.773)
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	65226	123750	188976	3.620	59019	122250	181269	3.472	(0.147)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	778699	570300	1348999	25.84	553375	570300	1123675	21.52	(4.315)
c) Others (specify)									
Non Resident Indians	NIL	NIL	NIL	NIL	400	NIL	400	0.008	0.008
Overseas Corporate Bodies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Nationals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Clearing Members	4293	NIL	4293	0.082	16375	NIL	16375	0.314	0.23
Trusts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Bodies - D R	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2):-	888933	956650	1845583	35.35	629518	955150	1584668	30.35	(4.997)
Total Public Shareholding (B)=(B)(1)+(B)(2)	888933	956650	1845583	35.35	629518	955150	1584668	30.35	(4.997)
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	4264350	956650	5221000	100	4265850	955150	5221000	100	NIL



B) Shareholding of Promoter-

SN	Shareholder Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Gauri Shanker Kandoi	1063507	20.370	NIL	1089107	20.369	NIL	2.40%
2	Manish Singhal	1002310	19.198	NIL	1237625	23.704	NIL	23.477%
3	Manish Singhal(HUF)	340000	6.512	NIL	340000	6.512	NIL	NIL
4	Baldev Das Gauri Shanker Kandoi (HUF)	330400	6.328	NIL	330400	6.328	NIL	NIL
5	Savitri Kandoi	420500	8.054	NIL	420500	8.054	NIL	NIL
6	Bhavik Singhal	218700	4.188	NIL	218700	4.188	NIL	NIL

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Name of Promoter	Shareholding at the beginning of the year i.e. 1.04.2014		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shri Manish Singhal				
	a) At the beginning of the year	1002310	19.20	1002310	19.20
	b) Changes during the Year				
	Date Reason				
	20.03.2015 Purchase	1000	0.02	1003310	19.22
	23.03.2015 Purchase	10000	0.19	1013310	19.41
	24.03.2015 Purchase	43515	0.83	1056825	20.24
25.03.2015 Purchase	94800	1.82	1151625	22.06	
26.03.2015 Purchase	86000	1.65	1237625	23.70	
	At the end of the year	1237625		1237625	23.70
2.	Shri Gauri Shanker Kandoi				
	a) At the beginning of the year	1063507	20.36	1063507	20.36
	b) Changes during the Year				
	Date Reason				
26.03.2015 Purchase	25600	0.49	1089107	20.85	
	At the end of the year	1089107	20.85	1089107	20.85



3.	Manish Singhal (HUF)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	a) At the beginning of the year	340000	6.51	340000	6.51
	b) Changes during the Year	No any change in shareholding during the year.			
	At the end of the year	340000	6.51	340000	6.51

4.	Baldev das Gauri Shanker Kandoi (HUF)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	a) At the beginning of the year	330400	6.33	330400	6.33
	b) Changes during the Year	No any change in shareholding during the year.			
	At the end of the year	330400	6.33	330400	6.33

5.	Savitri Kandoi	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	a) At the beginning of the year	420500	8.05	420500	8.05
	b) Changes during the Year	No any change in shareholding during the year.			
	At the end of the year	420500	8.05	420500	8.05

6.	Bhavik Singhal	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	a) At the beginning of the year	218700	4.19	218700	4.19
	b) Changes during the Year	No any change in shareholding during the year.			
	At the end of the year	218700	4.19	218700	4.19



c) Shareholding Pattern of Top Ten Shareholders (other than the Directors , promoters and holders of GDR)

S.N	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Sanjay Bansal				
	a) At the Beginning of the Year	260800	4.995		
	b) Changes during the Year	No Changes during the Year			
	c) At the End of the year			260800	4.995
2.	Vidit Jain				
	a) At the Beginning of the Year	257600	4.933		
	b) Changes during the Year	No Changes during the Year			
	c) At the End of the year			257600	4.933
3.	M T Finance Pvt. Ltd				
	a) At the Beginning of the Year	210000	4.022		
	b) Changes during the Year	No Changes during the Year			
	c) At the End of the year			210000	4.022
4.	Ashish Jain				
	a) At the Beginning of the Year	200000	3.83		
	b) Changes during the Year	No Changes during the Year			
	c) At the End of the year			200000	3.83
5.	Sanjay Kedia				
	a) At the Beginning of the Year	202300	3.874		
	b) Changes during the Year 27.03.2015 Transfer	100000	1.915		
	c) At the End of the year			102300	1.959
6.	Dhram Chand Jain				
	a) At the Beginning of the Year	53900	1.032		
	b) Changes during the Year	No Changes during the Year			
	c) At the End of the year			53900	1.032



7.	Prudent Capital Markets Ltd				
	a) At the Beginning of the Year	52600	1.007		
	b) Changes during the Year	No Changes during the Year			
	c) At the End of the year			52600	1.007
8.	Manik Chand Fogla				
	a) At the Beginning of the Year	50000	0.958		
	b) Changes during the Year	No Changes during the Year.			
	c) At the End of the year			50000	0.958
9.	Yashraj, R. Agarwal				
	a) At the Beginning of the Year	110624	2.119		
	b) Changes during the Year 27.03.2015 transfer	75624	1.448		
	c) At the End of the year			35000	0.670
10.	Pankaj Fogla				
	a) At the Beginning of the Year	50600	0.969		
	b) Changes during the Year 27.03.2015 transfer	20000	0.383		
	c) At the End of the year			30600	0.586

d) Shareholding of Directors and KMPs

SN	Name of Promoter	Shareholding at the beginning of the year i.e. 1.04.2014		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shri Manish Singhal				
	a) At the beginning of the year	1002310	19.20	1002310	19.20
	b) Changes during the Year				
	Date Reason				
	20.03.2015 Purchase	1000	0.02	1003310	19.22
	23.03.2015 Purchase	10000	0.19	1013310	19.41
	24.03.2015 Purchase	43515	0.83	1056825	20.24
25.03.2015 Purchase	94800	1.82	1151625	22.06	
26.03.2015 Purchase	86000	1.65	1237625	23.70	
	At the end of the year	1237625		1237625	23.70



2.	Shri Gauri Shanker Kandoi	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	a) At the beginning of the year	1063507	20.36	1063507	20.36
	b) Changes during the Year Date Reason 26.03.2015 Purchase	25600	0.49	1089107	20.85
	At the end of the year	1089107	20.85	1089107	20.85

3.	Savitri Kandoi	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	a) At the beginning of the year	420500	8.05	420500	8.05
	b) Changes during the Year	No any change in shareholding during the year.			
	At the end of the year	420500	8.05	420500	8.05

4.	Ramesh Chand Maheshwari	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	a) At the beginning of the year	0	0	0	0
	b) Changes during the Year	No any change in shareholding during the year.			
	At the end of the year	0	0	0	0

5.	Shiv Ratan Sharma	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	a) At the beginning of the year	0	0	0	0
	b) Changes during the Year	No any change in shareholding during the year.			
	At the end of the year	0	0	0	0



6.	Navita Khunteta	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	a) At the beginning of the year	0	0	0	0
	b) Changes during the Year	No any change in shareholding during the year.			
	At the end of the year	0	0	0	0

B. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7593.37	Nil	Nil	7593.37
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total(i +ii + iii)	7593.37	Nil	Nil	7593.37
Change in Indebtedness during the financial year				
• Addition	5140.91	Nil	Nil	5140.91
• Reduction	1894.91	Nil	Nil	1894.91
Net Change	3246.00			3246.00
Indebtedness at the beginning of the financial year				
i) Principal Amount	10839.37	Nil	Nil	10839.37
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total(i +ii + iii)	10839.37			10839.37

C. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lacs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Gauri Shanker Kandoi	Manish Singhal	Ramesh Chand Maheshwari	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	44.00	44.00	3.92	91.92
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - Others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	44.00	44.00	3.92	91.92
	Ceiling as per the Act	Upto Maximum of Rs. 84 Lacs p.a. each director.			

B. Remuneration to other directors:

(Rs. in Lacs)

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Nitin Jaipuria	Savitri Kandoi	Raj Kumar Agarwal	Kamlesh Sharma	Ramesh war Pareek	
1.	Independent Directors • Fee for attending board committee meeting • Commission • Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil	Nil	Nil
2.	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	Nil	Nil	Nil	Nil	Nil	Nil

C. Remuneration to key managerial personnel other than MD/Manager/WTD
(Rs. in Lacs)

S.No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (a) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961	4.88	1.39	6.27
2.	Stock Option	Nil	Nil	
3.	Sweet Equity	Nil		
4.	Commission • as% of profit • Others specify	Nil	Nil	
5.	Others, please specify	Nil	Nil	
	Total	4.88	1.39	6.27

D. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment /Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**Annexure-IV****Particular of contracts and arrangement with related parties.**

1. Detail of contract or arrangement or transaction not at arm length basis.

S. No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Nil
B	Nature of contracts/arrangements/transactions	Nil
C	Duration of the contracts/arrangements/transactions	Nil
D	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
E	Justification for entering into such contracts or arrangements or transactions	Nil
F	Date of approval by the Board	Nil
G	Amount paid as advances, if any	Nil
H	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

2. Detail of contract or arrangement or transaction at arm length basis.

S.No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Nil
B	Nature of contracts/arrangements/transactions	Nil
C	Duration of the contracts/arrangements/transactions	Nil
D	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
E	Date of approval by the Board	Nil
F	Amount paid as advances, if any	Nil

Note: The material contracts or arrangements or transactions at Arm's length basis has been ascertained as per clause 49 of the Listing Agreement executed by the company with Stock Exchanges.

Annexure-V**Corporate Social Responsibility (CSR)**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

- A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs: Refer Corporate Social Responsibility Policy in this Report.
- The composition of the CSR Committee:
 - Mr. Gauri Shanker Kandoi
 - Mr. Manish Singhal
 - Mr. Raj Kumar Agarwal
- Average net profit of the company for last three financial years: 423.19 Lacs
- Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 8.46 Lacs
- Details of CSR spent during the financial year:
 - Total amount to be spent for the financial year: 0.00
 - Amount unspent, if any: Rs. 8.46 Lacs

Reason for Non spending the money

Company decided to conduct CSR activities through a separate trust. Creation of trust has delayed the CSR activities. Now trust has been created and the formalities of registration of trust is under process which is likely to be completed during F.Y 2015-16.



Annexure-VI

**CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION
FOREIGN EXCHANGE EARNING AND OUTGO ETC.**

Information on conservation of Energy, Technological absorption, Foreign Exchange earnings and out go required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided here under:

<p>A. Conservation of Energy (i) The step taken or impact on conservation of energy</p>	<p>The Company continues to give major emphasis for conservation of energy, and the measures taken in the previous year were continued. The efficiency of the Energy Utilization at each plant is monitored at the Corporate level every quarter, in order to achieve effective conservation of energy. The significant energy conservation measures bring the year were as follows:</p> <ol style="list-style-type: none"> a. Switching of machine/equipment immediately after use and fixing of timer to avoid over usages of water pumps. b. Use of power capacitors to improve the power factor. c. Creating awareness among employees about the necessity of energy consumption. d. Providing transparent sheets on the roof where there is no false ceiling to switch off lights during the day time. e. Using agro waste to generate steam in the Boiler which improves the environment. f. Using Variable Frequency Driver (VFD) on compressor to reduce power consumption.
<p>(ii) the steps taken by the company for utilizing alternate source of the energy.</p>	<p>NIL</p>
<p>(iii) the capital investment in energy conservation equipment.</p>	<p>NIL</p>
<p>(B.) Technology Absorption (i) the efforts made towards technology absorption</p>	<p>Efforts are being made towards improvements</p>
<p>(ii) the benefits derived like product improvement, cost reduction, product development or import substitution</p>	<p>The benefits derived are:-</p> <ol style="list-style-type: none"> a. Improved quality and productivity. b. Conservation of fuel & reduced emissions.
<p>(iii) in case of imported technology(imported during the last three years reckoned from the beginning of the financial year)</p> <ol style="list-style-type: none"> a. The details of the technology imported. b. The year of import. c. Whether the technology been fully absorbed. d. If not fully absorbed, areas whether absorption has not taken place and reasons thereof 	<p>NIL</p>
<p>(C) Foreign exchange earning & outgo</p>	<p>Foreign exchange earnings: Rs.14810.95 lacs Foreign exchange used : Rs. 532.10 lacs</p>



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Report on Management discussion and Analysis in compliance with the Clause 49 of the Listing Agreement with the Stock Exchange is as under:

1. ECONOMIC OVERVIEW

The key trends in Global economy during F.Y 2014-15 where in improvement in growth in USA , subdued growth in the EURO area and Japan, slowdown in emerging market economies, divergent monetary policy across economies and sharp decline in commodity prices particularly in crude oil.

2. OPERATION OVERVIEW

Your company is engaged in the business of manufacturing and services as under:-

- i) Manufacturing and marketing of Terry Towel, Made-ups & Garments etc. in the international market as well as domestic - **Textile Division.**
- ii) Manufacturing and marketing of Garments Products i.e Bath Robe, Pillow, Cushion Cover and Quilts etc. – **Garment Division.**
- iii) Consignment Stockiest of GAIL (I) LTD. for marketing and distribution of polymers in Rajasthan- **Agency Division.**

SEGMENT ANALYSIS AND REVIEW

A. TEXTILE DIVISION:

In spite of the adverse market conditions prevailing in which the Company operates, the overall performance of the Company during the year has been improved compared to that of the previous year.

The Indian Textile industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a vital role through its contribution to employment generation, industrial output and foreign exchange earnings.

During this year the Ministry of Commerce and Industry, Government of India has introduced the new Foreign Trade Policy 2015-20 which replaced the Foreign Trade Policy 2009-2014. The new policy will adversely affect the profitability of the company during the F.Y 2015-16 onwards as the reward rate under Merchandise Export From India Scheme (MEIS) has been reduced from 4% of FOB Value to 2% of FOB Value and the applicability of the same is restricted to limited Countries i.e. European Union, USA, Canada, Switzerland Norway and Japan thereby margin will be squeezed by about 2.5%.

Textile division of the Company has performed well. During the year, the division booked remarkable growth in revenue from operations by 23.30 %. The division also accelerates its growth in the export (FOB) turnover increased from Rs. 10835.35 lacs to Rs. 14810.95 lacs, i.e. growth of 36.69%.

B. AGENCY DIVISION:

The division has sold HDPE/LDPE Granules 21846 Mt. amounting to Rs. 25581 lacs in comparison of 24679 Mt. amounting to Rs. 27456.93 lacs and earned commission of Rs. 88.43 lacs as compared to last year Rs. 100.11 lacs. The company is hopeful with regard to increase in turnover of agency division as the use of polymer product has become a necessity in day to day life.

BUSINESS OUTLOOK

With the efficient management and employee strength to boast of, the Company constantly endeavors to keep with the trend of increase in the turnover and reduction in expenses. We therefore hope to keep this trend going with ongoing efforts to increase the domestic as well as new foreign markets, adequately training the manpower to effect the reduction in costs and increase in productivity and efficiency. International as well as domestic competitive market environment continues to put pressure on the company's selling price of the product.

INTERNAL CONTROL SYSTEM

Commensurate with the size of the Company and nature of business, the Company has adequate system of internal control procedures. All the assets are safeguarded, protected against loss and all transaction are authorized, recorded and recorded correctly. The internal control system of the company are monitored and evaluated by external auditors and their internal audit report is periodically placed and reviewed by the Audit Committee of the Board of Directors.

RISK MANAGEMENT

The Company is exposed to risk from market fluctuation of foreign exchange, interest rates and increase of raw material prices, compliance risk and people risk. The Company proactively manages these risks through forward booking and Inventory Management, proactive management of vendor development and relationships, The Company's strong reputation for quality, product, differentiation and services. The Company is mitigating the compliance risk through regular review of legal compliances through internal as well as external compliance.

During the year under review your company has maintained high liquidity position. It regularly makes payment of term loan installment.

STATUTORY COMPLIANCE

On obtaining confirmation of having complied with all the statutory requirements, a declaration regarding compliance of the provisions of various statutes is made elsewhere in this report.



INDUSTRIAL RELATIONS

As in the past, Industrial relations continued to remain cordial at the manufacturing units of the company.

HUMAN RESOURCES

The employees of the company are working in a healthy atmosphere. The Company is constantly endeavoring to source and develop skilled manpower at all levels. Lack of skilled manpower availability is a challenge of today. But the Company is constantly recruiting fresher and trains them to become suitably skilled.

REPORT ON CORPORATE GOVERNANCE

Corporate Governance Report for the year ended on 31st March 2015

Corporate Governance Philosophy:

Corporate Governance is about credibility, transparency, and accountability of the Board and Management towards shareholders and other investors of the Company. We believe in a Board of appropriate size and commitment to adequacy discharge its responsibilities and duties. We consistently review on a periodical basic all the systems policies and delegations so as to establish adequate and sound system of risk management and internal control.

Board composition and category of Directors

The company is managerial and controlled through a professional body of Board of Directors, which comprises of an optimum combination of Executive and Non-Executive Independent director headed by the Chairman. The strength of the Board of the Directors as on 31.03.2015 is Eight, out of which three are Executive Director one Non-Executive director and four are Non-Executive Independent Director. The Independent directors do not have any pecuniary relationship or transaction with company, which may affect independence in any manner.

The composition of the Board of Directors of the company is in conformity with the provision of the Clause 49 of the Listing Agreement. All the directors bring with them rich and varied experience in difference of facet of corporate functioning. The structure of the Board and record of the directorship, Committee membership, chairmanship and shareholding in the Company as on 31st March, 2015 is as under :

Name	Category	Designation	No. of committee position in other companies		No. of Directorship in other companies
			Chairperson	Member	
Mr. Gauri Shanker Kandoi	Executive & Promoter	Chairman cum Managing Director	Nil	2	1
Mr. Manish Singhal	Executive & Promoter	Executive Director	Nil	Nil	Nil
Mr. Ramesh Chand Maheshwari	Executive	Whole Time Director	Nil	Nil	Nil
Mrs. Savitri Kandoi	Non-Executive Promoter	Director	Nil	Nil	Nil
Nitin Jaipuria	Non – Executive Independent	Director	Nil	Nil	Nil
Rameshwar Pareek	Non – Executive Independent	Director	2	5	7
Raj Kumar Agarwal	Non – Executive Independent	Director	0	0	3
Kamlesh Sharma	Non – Executive Independent	Director	Nil	Nil	Nil



Meetings of Independent Directors

The Independent Directors had a meeting on 24.02.2015 without the attendance of none Independent Directors and member of the Management. All the Independent Directors were present at the meeting to discuss following:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the chairman of the company, taking into account the views of the Executive and Non-executive directors.
- Evaluation of the quality, content and timeliness of flow of information between the management and the board that is necessary for the board.

CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT

KG's Principals are enshrined a code of conduct for all our board members and senior management of the company. The code of conduct has been posted on the company's website: - www.kgpetro.in . The code of conduct has been circulated to all the members of the board and senior management personnel and they have affirmed their compliance with the said code of conduct for the financial 31.03.2015

Board Meeting:

The Board of Directors of the Company met six times on 30.05.2014, 10.07.2014, 14.08.2014, 14.11.2014, 24.12.2014 & 14.02.15 during the financial year ended 31st March 15. The maximum time gap between two meetings was less than four months. The attendance of each Director at these meetings and the last Annual General Meeting was as under:

Name of the Director	Number of Board Meetings held during the tenure of directorship and attended by them		Attendance at last AGM held on 27.09.2014
	Held	Attended	
Mr. G. S. Kandoi	6	6	Yes
Mr. Manish Singhal	6	6	Yes
Mr. Raj Kumar Agarwal	6	6	Yes
Mr, Rameshwar Pareek	6	6	Yes
Mr. Nitin Jaipuria	6	6	Yes
Mr. Ramesh Chand Maheswari	6	6	Yes
Mr. Kamlesh Sharma	6	6	Yes
Mrs. Savitri Kandoi	5	5	Yes

The Board of the Company is provided with detailed notes along with the agenda papers in advance in respect of various items discussed in the Board meetings including particularly the followings:

1. Annual Business Plan including financial and operational plan.
2. Quarterly / Yearly financial statement.
3. Review of operation of Division.
4. Quarterly statutory compliance report.
5. Minutes of meeting of Audit Committee and other committees of the Board.
6. Appointment of senior executives.
7. Show cause, demand and other notices, which are materially important.

Tenure of Directorship of Mr. Manish Singhal who has been longest in the office, is liable to retire by rotation as per Companies Act, 2013 at the 35th Annual general Meeting and being eligible, offer himself for reappointment.



Relationship among Directors

S.No	Name of Director	Relationship
1.	Mr. Gauri Shanker Kandoi (CMD)	Mrs. Savitri Kandoi (Wife) Mr. Manish Singhal (Son)
2.	Mr. Manish Singhal (Executive Director)	Mrs. Savitri Kandoi (Mother) Mr. Gauri Shanker Kandoi (Father)
3.	Mrs. Savitri Kandoi (Non-Executive Director)	Mr. Gauri Shanker Kandoi (Husband) Mr. Manish Singhal (Son)

Board Level Committees:

In accordance with the Listing Agreement with the stock exchange on Corporate Governance, the following committees, comprising highly experienced and professional board members, were in operation:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stake holder relationship Committee
4. CSR Committee
5. Finance Committee

AUDIT COMMITTEE: As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibility, an Audit Committee has been constituted, headed by an Independent Directors. All members are Non-Executive and independent Directors and each member has rich experience in financial sector. The terms of reference of Audit Committee include inter-alia appointment of cost auditor, systematic review of accounting policies & practices, financial reporting process, adequacy of internal control systems and internal audit function, quarterly/ half-yearly financial statements and risk management policies. It also recommends appointment of Statutory and Internal Auditors and recommendation of their remuneration and discussion on audit reports.

The Audit Committee, as on 31st March 2015 consisted of the following three director:-

Chairman:- Mr. Kamlesh Sharma (Independent – Non Executive)
Members:- Mr. Rameshwar Pareek (Independent – Non Executive)
Mr. Raj Kumar Agarwal (Independent – Non Executive)

The composition and term of reference of the Audit Committee are in conformity with the Listing Agreement and Companies Act, 1956.

The audit committee met five times during the financial year 2014-15 on 30.05.2014, 10.07.2014, 14.08.2014, 14.11.2014 and 14.02.15 All the members of committee have attended all the five meetings. Audit Committee meetings are attended by Chief Executive Officer, Senior Executives of Accounts Department. The minutes of the meetings of the Audit Committee are placed before the Board for their information and confirmation.

The Audit Committee also acting under Vigil Mechanism.

NOMINATION AND REMUNERATION COMMITTEE:-

The remuneration committee was set up to evaluate compensation and benefits for the directors & their relatives and frame policies and system thereof.

The Remuneration Committee has been constituted of the following three directors:-

Chairman: Mr. Kamlesh Sharma (Independent – Non Executive)
Members:- Mr. Rameshwar Pareek (Independent – Non Executive)
Mr. Raj Kumar Agarwal (Independent – Non Executive)

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee comprised of Mr. Ramesh Chand Maheshwari -Chairman, Mr. G. S. Kandoi & Mr. Manish Singhal-Members. Information's relating to Shareholders\Investors complaints are regularly placed before the committee. No complaints received during the year, hence no any pendency for disposal as on 31.03.2015.

The Committee looks in to the redressal of shareholders and investors complaint like transfer of share, non-receipt of Annual Reports and Accounts and Non receipt of duplicate shares. The Committee met 2 times during the year under review and attended all the members.

Ms. Navita Khunteta Company Secretary has been designated as the Compliance Officer by the board. There were no complaints which remain pending at the beginning and closing of the year.

CSR COMMITTEE

The Board of Directors, during the year constituted“ Corporate Social Responsibility Committee” as required under Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee recommends to the board



Corporate Social Responsibility Policy and the CSR initiatives and it also monitors implementation of the activities undertaken as per the policy. One meeting of committee held during the year.

Chairman - Mr. G. S. Kandoi -CMD

Members - Mr. Manish Singhal- Executive Director
Mr. Raj Kumar Agarwal- Non-Executive Independent Director

FINANCE COMMITTEE:

Considering the volume of the Company's transactions with banks and according to requirement of workings of the Company the Finance Committee comprising the following Directors: -

Chairman - Mr. G. S. Kandoi-CMD

Members - Mr. Manish Singhal- Executive Director
Mr. Raj Kumar Agarwal- Non-Executive Independent Director

Terms of Reference of the said Committee are as follows:

1. Borrow moneys and exercise all powers to borrow moneys (otherwise than by issue of debentures) not exceeding Rs.500 Crore in aggregate at any time and taking all necessary actions connected therewith within the limit prescribed under law.
2. Provide guarantee including performance guarantee, issue letter of comfort and providing securities and taking all necessary actions connected therewith .Review of banking arrangement and taking all necessary actions connected therewith including refinancing for optimization of borrowing costs (subject to overall limit of borrowing).
3. Review of the Company's financial policies, strategies and capital structure.
4. Review of Term loan/working capital and cash flow management.
5. Consider viability for issuance of new modes of securities including foreign funds subject to laws applicable.
6. Advise on financial matters/policies in overall interest of Company.

General Body Meetings

The details of last three Annual General Meeting is as under:

Year	Venue	Date	Time	Special Resolution passed
2014 - 34 th	C-171, Road No. 9J, V.K.I. Area, Jaipur-302013	27.09.2014	10.30 A.M	Four
2014 EOGM	C-171, Road No. 9J, V.K.I. Area, Jaipur-302013	07.04.2014	11.00 A.M	One
2013 - 33 rd	C-171, Road No. 9J, V.K.I. Area, Jaipur-302013	29.07.2013	10.00 A.M.	Four
2012 - 32 nd	C-171, Road No. 9J, V.K.I. Area, Jaipur-302013	25.07.2012	10.30 A.M	Five

POSTAL BALLOT

During the FY 2014-15, no resolution has been passed through Postal Ballot..

DISCLOSURES

A. DISCLOSURE OF ACCOUNTING TREATMENT

The Company has followed all the relevant accounting standards to the extent applicable.

B. DISCLOSURE OF MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the Financial Year were on arm's length basis and were in the ordinary course of business of the Company. There is no materially significant related party transaction made by the company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All related party transactions are placed before the audit committee and also for the board approval.

C. COMPLIANCE WITH RECOMMENDATORY AND OTHER MANDATORY REQUIREMENTS

The company follows the guidelines as recommended from time to time by Institute of company secretaries of India (ICSI). One such instance is the adoption of secretarial standards in respect to preparation and recording of minutes and other statutory records and registers.



D. WHISTLE BLOWER POLICY

The company has established a Whistle Blower Policy of the Company, as per Listing Agreement for directors and employees commensurate to the size and the business of the company to promote ethical behavior in all its business activities and to report concerns and unethical behavior, actual or suspected fraud or violation of our code of conduct and ethics.

E. Non-Mandatory Requirement

The Company is dully complying with all the mandatory requirements of Clause 49 of the Listing Agreement with Stock exchange and it has also adopted some of the Non- Mandatory requirements defined therein such as formation of Remuneration Committee and Financial Committee, adoption of best practices to ensure regime unqualified financial statements.

Means of Communication:-

The Annual, Half Yearly and Quarterly results are regularly submitted to the Stock Exchange in accordance with Listing Agreement and published in newspapers i.e. Financial Express and Khabro Ki Duniya/Evening Post All the results are display on the company's Website: www.kgpetro.in

GENERAL SHAREHOLDER INFORMATION

- a. Annual General Meeting
- Date : 30th day of September, 2015
- Time : 3.00 P.M
- Venue : C-171, Road No 9J, VKI Area, Jaipur
- b. Book Closure Date : 24th Sept.2015 to 30th Sept. 2015
(both days inclusive)
- c. Financial Year : April 2014 to March 2015
- d. Financial Calendar : Tentative Schedule for financial results is as under:

Particulars	Tentative Schedule
Financial Results for the 1st Quarter ending June 30,2015	Before Mid August 2015
Financial Results for the 2nd Quarter and half year ending September 30,2015	Before Mid November 2015
Financial Results for the 3rd Quarter and nine months ending December 31,2015	Before Mid February 2015
Financial Results for the last Quarter and financial year ending March 31,2016	End of May 2016

- e. **Dividend** : No dividend being recommended by the Board.
- f. **Listing** : Shares of the Company are listed on Bombay Stock Exchange. The Stock code no. is 531609 and Listing Fees for the year up to financial year 2015-16 has been paid.
- g. **Demat** : The Company has signed agreement with **NSDL** and **CDSL** for dematerialization of shares. ISIN No. of the Company for dematerialization of equity shares is INE902G01016 and 81.70 % of issued share capitals of the Company have been dematerialized as on 31.3.2015.
- h. **Registrar & Share Transfer Agent** : **Niche Technology Pvt. Ltd**
D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata- 700 001
- i. **Share Transfer System/ Listing** :
The Company's shares are traded in the Bombay Stock Exchange in compulsory Demat mode. Physical shares, which are lodged for transfer, are processed at Niche Technologies Private Limited (RTA) and returned to the shareholders within 30 days from the date of receipt subject to documents being valid and complete in all respects.
- j. **Location of works** :
- Textile Division** : SP4/3, RIICO Industrial Area, Vill & Post: Keswana,
Tehsil: Kotputli, Distt: Jaipur-303108
- Garment Division** : C-171, Road No. 9J, VKI Area, Jaipur



Market Price Data : Monthly high and low prices of the equity shares of the company traded at BSE during F.Y 2014-15 is given below.

Months	BSE Limited		
	High (Rs.)	Low (Rs.)	Volume (No.)
April 2014	31.65	28.15	1844
May 2014	38.00	28.60	2174
June 2014	48.80	37.00	3507
July 2014	40.00	21.85	3106
Aug 2014	22.50	20.00	789
Sep 2014	23.10	15.75	8078
Oct 2014	15.40	13.55	3055
Nov 2014	20.40	15.35	933
Dec 2014	34.55	21.40	2896
Jan 2015	34.55	30.15	1847
Feb 2015	30.75	23.75	950
Mar 2015	23.65	19.50	285092

a. Distribution of shareholding as on 31st March 2015

No. of Share Holders	Shareholders %	Number of Shares	No. of Shares Held	Shareholding Percentage
143	51.81	1 - 500	43603	0.84
83	30.07	501 - 1000	74105	1.42
20	7.25	1001 - 5000	43587	0.83
4	1.45	5001 - 10000	27224	0.52
11	3.98	10001 - 50000	258949	4.97
3	1.09	50001 - 100000	205500	3.93
12	4.35	100001 & above	4568032	87.49
276	100.00		5221000	100.00

b. Category wise Distribution of shareholding by ownership as on 31.03.2015

Category	Number of Shares	Shareholding Percentage
Promoters	3636332	69.649
Corporate Bodies	262949	5.036
Indian Public		
(a) Individual	1304944	24.994
(b) Others	16775	0.321
TOTAL	5221000	100.00



DECLARTIONS

Compliance with the Code of Business Conduct and Ethics:

As provided under Clause 49 of the Listing Agreement with the Stock, Exchanges, all Board Members and Senior Management personnel have affirmed compliance with company's code of Business Conduct and Ethics for the year ended 31 March, 2015.

For and on behalf of Board

Date : **14th August, 2015**
Place: **JAIPUR**

Gauri Shanker Kandoi
CMD
DIN NO. : 00120330

CEO /CFO CERTIFICATION

As required by sub-clause IX of clause 49 of the Listing Agreement with Stock Exchanges, we have certified to the board that for the Financial Year ended 31st March, 2015 the Company has complied the requirement of the said sub clause.

For **KG Petrochem Limited**

Date : **14th August, 2015**
Place: **JAIPUR**

Gauri Shanker Kandoi
CMD

Shiv Ratan Sharma
CFO

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
K G Petrochem Limited
C-171, Road No. 9J, VKI Area, Jaipur-302013

We have examined the compliance of the conditions of Corporate Governance by K G Petrochem Limited for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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.

For ARMS and Associates LLP
Company Secretaries

Date : **31st July, 2015**
Place: **JAIPUR Sd/-**

(Sandeep Kumar Jain)
FCS 5398 C.P.No.4151



INDEPENDENT AUDITORS' REPORT

To
The Members of
KG Petrochem Limited
Report on the Financial Statements

We have audited the accompanying financial statements of **KG Petrochem Limited** ('the Company') which comprises the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Cash Flows of the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the Directors as on 31 March, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a Director in terms of 164(2) of the Companies Act, 2013; and
- (f) With respect to the other matters to be included in the Auditor's 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) there are no pending litigations on the Company's financial position in its financial statements;
 - (ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For R Sogani & Associates
Chartered Accountants
FRN: (018755C)

(BHARAT SONKHIYA)
PARTNER
Membership No: 403023

Place : Jaipur
Date : 30.05.2015

**ANNEXURE REFERRED TO IN THE AUDITOR'S REPORT ON THE ACCOUNTS OF
KG PETROCHEM LIMITED FOR THE YEAR ENDING 31ST MARCH, 2015**

As required by the Companies (Auditor's report) Order, 2015 issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013, we report that:

- (i) In respect of fixed assets:
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, all the fixed assets have been physically verified by the management during the year at reasonable intervals, which in our opinion, is reasonable having regard to the size of the Company and the nature of assets. As explained, no material discrepancies were noticed on such physical verification.
- (ii) In respect of its inventories:
 - (a) As explained to us, the inventory has been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures followed by the management for physical verification of inventory are reasonable and adequate in relation to size of the Company and nature of its business.
 - (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company has maintained proper records of inventory. And there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- (iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013:
 - (a) According to the information and explanations given to us, the Company has not granted any loans, secured and



unsecured, to companies, firms and other parties covered in the register maintained under section 189 of Companies Act, 2013.

- (iv) In our opinion and according to the information and explanations given to us, there exists adequate internal control procedure commensurate with the size of the Company and nature of its business with regard to purchase of inventory and fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any relevant provisions of the Companies Act, 2013 and the rules made there under.
- (vi) We have been explained that the maintenance of cost records has been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 for the period under review and we are of the opinion that prima-facie the prescribed accounts and records have been made and maintained. However, we have not made the detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) In respect of statutory dues:

- (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities **though there has been slight delay in a few cases.**

However, no undisputed amounts are payable in respect of Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty and Excise Duty were in arrears as at the end of the financial year for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty and Excise Duty which have not been deposited on account of any dispute except the following:

Nature of Dispute	Nature of the dues	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994 (Service Tax)	Service Tax	33,75,730/-	FY 2005 -06 to FY 2008 -09	CESTAT
Central Excise Act, 1944	Excise Duty	2,43,190/-	FY 2001 -02 to FY 2004 -05 (upto Feb. 2005)	CESTAT

- (c) According to the information and explanations given to us, no amount was required to be transferred to Investor Education and Protection Fund by the Company.
- (viii) The Company has no accumulated losses at the end of the year and the Company has not incurred cash losses during current and the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to banks or financial institutions or debenture holders.
- (x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) In our opinion and according to information and explanation given to us, the term loans have been applied for the purpose for which they were raised.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For R Sogani & Associates
Chartered Accountants
FRN: (018755C)

(BHARAT SONKHIYA)
PARTNER
Membership No: 403023

Place : Jaipur
Date : 30.05.2015

KG PETROCHEM LIMITED, JAIPUR
CIN: L24117RJ1980PLC001999
BALANCE SHEET AS AT 31st MARCH, 2015



(Amount in ₹ 000)			
Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
a) Share Capital	2.1	58,152.50	58,152.50
b) Reserves & Surplus	2.2	271,566.98	249,969.38
		329,719.48	308,121.88
<u>Non-Current Liabilities</u>			
a) Long Term Borrowings	2.3	755,990.42	350,705.43
b) Deferred Tax Liability (Net)	2.4	73,006.62	42,215.97
		828,997.04	392,921.40
<u>Current Liabilities</u>			
a) Short Term Borrowings	2.5	265,291.19	355,719.27
b) Trade Payable	2.6	54,005.36	85,194.86
c) Other Current Liabilities	2.7	199,829.57	150,385.40
d) Short Term Provisions	2.8	-	-
		519,126.12	591,299.53
		1,677,842.64	1,292,342.81
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
a) Fixed Assets			
(i) Tangible Assets	2.9	994,133.26	629,812.63
(ii) Capital Work-in-Progress	2.9	15,738.33	70,405.41
b) Long Term Loans and Advances	2.10	11,900.68	21,345.86
		1,021,772.27	721,563.90
<u>Current Assets</u>			
a) Inventories	2.11	284,719.85	190,287.19
b) Trade Receivables	2.12	208,377.61	256,683.07
c) Cash and Bank Balances	2.13	3,786.90	18,268.59
d) Short Term Loans and Advances	2.14	9,859.73	7,619.86
e) Other Current Assets	2.15	149,326.28	97,920.21
		656,070.37	570,778.91
		1,677,842.64	1,292,342.81
Contingent Liabilities	2.16		
Significant Accounting Policies and Notes on Financial Statements	1 to 3		

In terms of our Audit Report of even date :

FOR R SOGANI & ASSOCIATES
Chartered Accountants
FRN: 018755C

(BHARAT SONKHIYA)
Partner
M. No. 403023

For & on behalf of the Board
FOR KG PETROCHEM LTD.

(G. S. KANDOI)
Chairman Cum Managing Director
DIN: 00120330

(MANISH SINGHAL)
Director
DIN: 00120232

Place : JAIPUR
Date : 30.05.2015

(NAVITA KHUNTETA)
Company Secretary
M.No. A-35214

KG PETROCHEM LIMITED, JAIPUR
CIN: L24117RJ1980PLC001999



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2015

(Amount in ₹ 000)

PARTICULARS	NOTE No.	Current Year 31st March, 2015	Previous Year 31st March 2014
Revenue from operations	2.17		
Sale of Product & Services		1,700,124.01	1,388,563.21
Other Operating Revenue		158,869.08	121,932.04
		<u>1,858,993.09</u>	<u>1,510,495.25</u>
Revenue From Operations (Net)		1,858,993.09	1,510,495.25
Other Income	2.18	<u>49,059.36</u>	<u>26,506.45</u>
Total Revenue		1,908,052.45	1,537,001.70
Expenses :			
Cost of Materials consumed	2.19	1,004,491.34	794,221.56
Change in inventory of Finished Goods and Work in Progress	2.20	(76,560.30)	19,016.03
Manufacturing Expenses	2.21	347,050.96	227,421.87
Employees Benefits Expenses	2.22	232,730.83	175,492.49
Finance Costs	2.23	92,095.02	57,743.98
Depreciation	2.09	113,054.70	74,549.38
Other Expenses	2.24	138,914.73	90,805.67
		<u>1,851,777.28</u>	<u>1,439,250.98</u>
Profit Before Exceptional & Extraordinary items and tax		56,275.17	97,750.72
Withdrawal from Capital Reserve (refer note no.2.2 : Reserve & Surplus)		1,919.99	1,982.81
Profit before Tax		58,195.16	99,733.53
Tax Expenses :			
Current Tax (Net of MAT Credit Entitlement of Rs. 1,16,50,000/-)		-	27,946.59
Deferred Tax		30,790.71	2,684.31
Earlier Year Tax		662.24	581.61
		<u>31,452.95</u>	<u>31,212.51</u>
Profit For The Year after Tax		26,742.21	68,521.02
Earning per Equity Shares:	2.25		
1. Basic		5.12	13.12
2. Diluted		5.12	13.12
Significant Accounting Policies and Notes on Financial Statements	1 to 3		

In terms of our Audit Report of even date :

For & on behalf of the Board
FOR KG PETROCHEM LTD.

FOR R SOGANI & ASSOCIATES
Chartered Accountants
FRN: 018755C

(BHARAT SONKHIYA)
Partner
M. No. 403023

(G. S. KANDOI)
Chairman Cum Managing Director
DIN: 00120330

(MANISH SINGHAL)
Director
DIN: 00120232

Place : JAIPUR
Date : 30.05.2015

(NAVITA KHUNTETA)
Company Secretary
M.No. A-35214

KG PETROCHEM LIMITED

CIN: L24117RJ1980PLC001999



CASH FLOW STATEMENT FOR THE YEAR 2014-15 (Amount in Rs. 000)

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	2014-15		2013-14	
	DETAILS	AMOUNT	DETAILS	AMOUNT
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax as Per Profit & Loss A/c	58,195.16		99,733.53	
<u>Adjusted for :-</u>				
Interest paid	92,095.02		57,743.98	
Interest received	(7,614.93)		(21,276.84)	
Rent Income	(4,951.83)		(4,698.88)	
Loss/(Profit) on Sale/written off of Fixed Assets	35.20		-	
Withdrawal from capital reserve	(1,919.99)		(1,982.81)	
Depreciation	113,054.70		74,549.38	
Operating Profit before Working Capital Changes	248,893.32		204,068.36	
<u>Adjusted for:-</u>				
Increase /(Decrease) in Trade Payables	(31,189.50)		28,370.93	
Increase/(Decrease) in Other Current Liabilities	(50,727.65)		(31,113.59)	
(Increase) / Decrease in Inventory	(94,432.66)		9,424.72	
(Increase) / Decrease in Trade Receivables	48,305.00		51,254.01	
(Increase) / Decrease in Loans and Advances	7,205.31		(13,418.84)	
(Increase) / Decrease in Other current assets	(40,068.36)		(41,409.15)	
Cash Generated From Operations	87,985.47		207,176.45	
Net Cash used in Operating Activities Before Extraordinary Items	87,985.47		207,176.45	
Less:- Extraordinary Items	-		-	
Cash Generated From Operations	87,985.47		207,176.45	
Less:- Taxes Paid	(12,000.00)		(24,932.43)	
Net Cash Flow/(used)From Operating Activities		75,985.47		182,244.02
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(483,301.33)		(237,122.43)	
(Increase)/decrease to CWIP	54,667.08		(70,405.41)	
Proceeds from Sales/written off of Fixed Assets	20.00		-	
Rent Income	4,951.83		4,698.88	
Net Cash Flow/(used) in Investing Activities		(423,662.42)		(302,828.96)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Procurement of Borrowings	468,195.94		234,859.43	
Repayment of Borrowings	(53,166.98)		(62,260.79)	
Interest received	7,614.93		21,276.84	
Capital Subsidy under TUF	2,646.40		-	
Interest paid	(92,095.02)		(57,743.98)	
Net Cash Flow/(used) From Financing Activities		333,195.27		136,131.49
Net Increase/(Decrease) in Cash and Cash Equivalent		(14,481.68)		15,546.55
Opening balance of Cash and Cash Equivalent		18,268.58		2,722.03
Closing balance of Cash and Cash Equivalent		3,786.90		18,268.58

NOTE : Cash and Cash Equivalent consists of following:-

	Rs.	Rs.
Cash in hand	509.62	416.74
Balances with Banks	3,277.28	17,851.85
Closing balance of Cash and Cash Equivalent	<u>3,786.90</u>	<u>18,268.58</u>

Chartered Accountants

Chartered Accountants

FRN: 018755C

(BHARAT SONKHIYA)

Partner
M. No. 403023

(G. S. KANDOI)

Chairman Cum Managing Director
DIN:00120330

(MANISH SINGHAL)

Director
DIN: 00120232

(NAVITA KHUNTETA)

Compay Secretary
M.No. A-35214

Place : JAIPUR
Dated: 30.05.2015



KG PETROCHEM LIMITED
CIN: L24117RJ1980PLC001999

OVERVIEW

The Company was originally incorporated on 29.2.1980 under Companies Act, 1956 as KG Petrochem Private Limited. The name of the company changed to KG Petrochem Limited as per fresh Certificate of Incorporation dated 24.8.1995 issued by Registrar of Companies, Rajasthan, Jaipur.

Presently the Company is engaged in the business of manufacturing and services as under:-

- (i) **Textile Division**:-Manufacturing and marketing of terry towels, made-ups etc. in the domestic and inter-national market.
- (ii) **Agency Division** : Consignment Stockiest of GAIL (India) Ltd. for marketing and distribution of polymers in Rajasthan and
- (iii) **Garment Division** : Manufacturing & marketing of readymade garment like bathrobes, babyhood towels, pillows etc.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

1) SIGNIFICANT ACCOUNTING POLICIES

1.1 System of Accounting and use of estimates

The Company follows the mercantile system of accounting by following accrual concept in the preparation of accounts. The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

1.2 Valuation of Inventories (AS-2)

(i) Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components, stores and spares is determined on FIFO basis.

(ii) Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a portion of manufacturing overheads based on normal operating capacity.

(iii) Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

1.3 Cash Flow Statement (AS-3)

Cash flows are reported using the indirect method as prescribed in Accounting Standard 3 'Cash Flow Statement', where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expense associated with investing or financial cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.4 Depreciation (AS-6)

Depreciation on fixed assets is provided for on straight line method in accordance with the provisions of Schedule II of the Companies Act, 2013. Depreciation on additions/disposals during the year is provided on pro-rata basis.

Individual asset costing less than Rs 5000/- has been fully depreciated in the year of purchase.

1.5 Revenue Recognition (AS-9)

Turnover are inclusive of excise duty and other related realisation but exclusive of Value Added Tax charged. Export sale has been recognised at the time of removal of goods from factory at invoice value (whether FOB or CIF) on the basis of exchange rates declared by Custom Department for that particular month.

Duty Drawback Scheme are accounted for in the year of export at FOB value. Import Licence under DEPB Scheme and Focus Product Scheme are accounted for at net realisable value on accrual basis.

1.6 Fixed Assets (AS-10)

Value of Gross Block of fixed assets represent cost of acquisition, including non-refundable taxes & duties, expenditure on installations, attributable borrowing cost and other identifiable direct expenses incurred upto the date of commencement of commercial use of the assets.

1.7 Foreign Currency Transaction (AS-11)

(i) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of transaction.

(ii) Monetary items denominated in foreign currency at the year end and not covered by forward exchange contracts are translated at the year end rates and those covered by forward contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction such difference having been recognised over the life of the contract. Foreign exchange financial instruments in hand at the year end are valued mark to market. Any income or expenses on account of exchange difference either on settlement or on



translation is recognised in the Statement of Profit & Loss.

1.8 Government Grants (AS-12)

In case of depreciable assets, the cost of asset is shown at gross value and grant thereon is treated as Capital Grants which are withdrawn over the period and in the proportion in which depreciation is charged.

1.9 Employee retirement benefits (AS-15)

(i) Short - term Employee Benefits:-

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognised in the period in which the employee renders the related services

The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability after deducting any amount already paid.

(ii) Post-employment Benefits:-

(a) Defined Contribution Plan: Contribution to superannuation fund is recognised as an expense in the Statement of Profit & Loss as it is incurred. There are no other obligations other than the contribution payable to the respective trusts.

(b) Defined Benefit Plan and Other Long Term Benefits: Retirement benefits in the form of gratuity, provident fund, post retirement medical benefit schemes and other long term benefits in the form of leave encashment, silver jubilee and long service award are determined on the basis of an actuarial valuation using the projected unit credit method as at Balance Sheet date. Actuarial gains/losses are recognised immediately in the Statement of Profit & Loss.

1.10 Borrowing Cost (AS-16)

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing cost are charged to revenue.

1.11 Earning Per Share (AS-20)

Earnings per equity share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

1.12 Taxes on Income (AS-22)

Current tax is determined as the amount of tax payable to the Taxation Authorities in respect of taxable income for the year.

Deferred tax is recognized, subject to consideration of prudence, in respect of deferred tax assets, on timing differences being difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

In respect of unabsorbed depreciation / carry forward of losses under the tax laws, deferred tax assets are recognized only to the extent that there is virtual certainty that future taxable income will be available against which such deferred tax assets can be realized.

Credit in respect of Minimum Alternative Tax under Income Tax Act 1961 (MAT Credit – Entitlement) is recognized in accordance with guidance note issued by the Council of the Institute of Chartered Accountants of India

1.13 Intangible Assets (AS-26)

Intangible assets are stated at cost less accumulated amount of amortization.

1.14 Impairment of assets (AS-28)

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of future cash flows.

1.15 Provisions, Contingent Liabilities and Contingent Assets (AS-29)

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but disclosed in the notes. Contingent assets is neither recognised nor disclosed in the financial statement.

1.16 Except where stated, accounting policies are consistent with the generally accepted accounting principles and have been consistently applied.

2) Notes On Accounts

The previous year figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Accordingly amounts and other disclosure for the preceding years are included as an integral part of the current year financial statement and are to be read in relation to the amounts and other disclosure relating to the current year.


NOTE NO 2.1: SHARE CAPITAL

(Amount in Rs. '000)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Authorised : 70,00,000 (70,00,000) Equity Shares of Rs.10/- each	70,000.00	70,000.00
Issued & Subscribed 63,35,200 (63,35,200) Equity shares of Rs.10 each/-	63,352.00	63,352.00
Paid Up 52,21,000 (52,21,000) Equity Shares of Rs.10/-each fully paid	52,210.00	52,210.00
Forefeited Equity Shares 11,14,200 (11,14,200) Equity Shares (* figures in bracket are of Previous Year)	5,942.50	5,942.50
Total	58,152.50	58,152.50

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 each. Holder of equity shares is entitled to one vote per share and Dividend as and when declared by the Company.

In case of partly paid up share the shareholder shall be entitled to dividend only on the paid up share capital.

In case any shareholder makes any default in payment of any call he shall not be entitled to vote in annual general meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts.

Reconciliation of the number of shares outstanding :-

Particulars	As at 31st March, 2015	As at 31st March, 2014
	No of shares	No of shares
At the beginning of the year	6,335,200.00	6,335,200.00
Add: Issued during the year	-	-
Less: Bought Back during the year	-	-
At the end of the year	6,335,200.00	6,335,200.00

a) Shares held by each shareholder holding more than 5 percent of number of shares

Name of Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No.of Shares held	Percentage of holding	No.of Shares held	Percentage of holding
Mr. Manish Singhal	1,237,625	23.70%	1,002,310	19.20%
Mr. Gauri Shanker Kandoi	1,089,107	20.86%	1,063,507	20.37%
Mrs. Savitri Kandoi	420,500	8.05%	420,500	8.05%
M/s. Manish Singhal-HUF	340,000	6.51%	340,000	6.51%
M/s. Baldevdas Gauri Shanker Kandoi- HUF	330,400	6.33%	330,400	6.33%

NOTE NO. 2.2: RESERVES & SURPLUS

(Amount in Rs. '000)

Particulars	As at 31st March, 2015	As at 31st March, 2014
a) Capital Reserve -Capital Subsidy (Under TUF Scheme)		
At the beginning of the year	9,825.62	11,808.43
Add; Additions during the year	2,646.40	-
Less: withdrawals/transfer	1,919.94	1,982.81
Balance at the year end	10,552.08	9,825.62
b) General Reserve		
At the beginning of the year	3,646.60	3,646.60
Add; Additions during the year	-	-
Less: withdrawals/transfer	-	-
Balance at the year end	3,646.60	3,646.60
c) Surplus		
At the beginning of the year	236,497.15	167,976.12
Less : Fixed Assets Written off in accordance with Schedule II of Companies Act 2013	5,871.01	-
	230,626.14	167,976.12
Add; Additions during the year	26,742.17	68,521.03
Less: withdrawals/transfer	-	-
Balance at the year end	257,368.30	236,497.15
Total	271,566.98	249,969.38



i) The receipt of capital subsidy is for the processing machinery under the Technology Up gradation Fund Scheme (TUFS) circular no. 2 (2005-06 series) of Govt. of India Ministry of Textiles, office of the Textile commissioner, Mumbai. It is credited to Capital Subsidy under the head Reserve & Surplus subject to fulfillment of conditions.

ii) As mentioned above the Company has availed Capital Subsidy forming part of cost of process Machinery. Proportionate amount of such capital subsidy is being withdraw from Capital Reserve (Capital Subsidy) equal to relative depreciation. During the year Rs. 19,19,992.00 (Previous year Rs.19,82,808.00) has been withdrawn from Capital Subsidy.

NOTE NO. 2.3 : LONG TERM BORROWINGS

(Amount in Rs. '000)

Particulars	As at 31st March, 2015		As at 31st March, 2014
Term Loan Secured From Bank			
1. State Bank of Bikaner & Jaipur			
Term Loan III (Repayment in 17 Quarterly installments)	146,056.62	180,456.63	
Term Loan IV (Repayment in 20 Quarterly installments)	20,853.61	25,053.61	
Term Loan V (Repayment in 28 Quarterly installments)	37,178.71	42,490.73	
Term Loan VI	-	766.37	
Term Loan VII (Repayment in 32 Quarterly installments starting from June 2016)	345,000.00	4,581.00	
Corporate Loan (Repayment in 20 Quarterly installments)	41,600.00	30,000.00	
Vehicle Loan (Repayment in 48 Monthly installments)	457.22	545.80	
2. State Bank of India			
Term Loan (Repayment in 32 Quarterly installments starting from Nov 2015)	227,500.00	119,723.29	
Total	818,646.16	403,617.43	
Less : Current maturities of long term borrowings	62,655.75	52,912.00	350,705.43
Total	755,990.42		350,705.43

1. The term loan from State Bank of Bikaner & Jaipur (SBBJ) & State Bank of India (SBI) are secured by pari-pasu charge by way of equitable mortgage in favour of both banks against all existing and future fixed assets of the Company and further guaranteed by Mr. G. S. Kandoi and Mr. Manish Singhal, Directors of the company in their personal capacity.

2. All instalments are paid in due date, hence there is no failure at the end of the year.

NOTE NO. 2.4 : DEFERRED TAX LIABILITIES

Considering accounting procedure prescribed by the standard, the following amounts have been worked out and provided in books:

(Amount in Rs. '000)

Particulars	As at 31st March ,2015		As at 31st March,2014
Major components of deferred tax balances			
Deferred Tax Liabilities			
Difference between accounting and tax depreciation	73,006.62		42,215.97
Deferred Tax Assets			
Unabsorbed Depreciation	-		0.00
Net Deferred Tax Liabilities	73,006.62		42,215.97



Net current deferred tax liability of Rs. 3,07,90,712/- (Previous year Rs. 26,84,301.00) has been debited\ (credited) to Statement of Profit & Loss besides current tax of Rs 1,16,50,000/- (Previous year Rs. 2,79,46,582.00) as per Income Tax Act, 1961.

NOTE NO. 2.5 : SHORT TERM BORROWINGS (Amount in Rs. '000)

Particulars	As at 31st March ,2015	As at 31st March,2014
Loan payable on demand from Banks :		
Secured		
State Bank of India		
a. Cash Credit Account	23,045.04	-
b. Bill Purchase Limit Under L/c	5,060.83	12,013.51
State Bank of Bikaner & Jaipur (SBBJ)		
a. Cash Credit Account	41,501.68	93,811.51
b. Bill Purchase Limit under L/c	5,510.49	11,053.63
c. FCNR (B) Loan	31,250.00	-
d. Packing Credit Limit	158,923.16	238,840.62
Total	265,291.19	355,719.27

Loans payable on demand from State Bank of Bikaner & Jaipur (SBBJ) is secured by parri passu charge way of hypothecation of stock of Raw Material, Finished goods, Work in process, Store & spares, Book Debts and all current assets of the company. The loan is further personal guaranteed of Mr. G. S. Kandoi and Mr. Manish Singhal Directors of the company .

Cash Credit Limits with State Bank of India (SBI) is secured by Hypothecation of receivables of Agency Division under Electronic dealer Finance Scheme (e-dfs) and Bill purchased limit from State Bank of India (SBI) is secured against Letter of Credit.

NOTE NO. 2.6 : TRADE PAYABLE (Amount in Rs. '000)

Particulars	As at 31st March ,2015	As at 31st March,2014
For Goods		
-Micro, Small & Medium Enterprises*	-	-
-Others	54,005.36	85,194.86
Total	54,005.36	85,194.86

The Company has not received any intimation from any of its suppliers about their having filed a memorandum in pursuance of Micro, Small and Medium Enterprises Development Act, 2006. Hence, the disclosure requirement u/s 22 of MSMED Act, 2006 is not applicable to the Company.

NOTE NO. 2.7 :- OTHER CURRENT LIABILITIES (Amount in Rs. '000)

Particulars	As at 31st March ,2015	As at 31st March,2014
a) Current maturities of long term borrowings (refer Note No. 2.3)	62,655.74	52,912.00
b) Statutory Liabilities	9,702.94	5,778.91
c) Liabilities for expenses	64,624.24	43,495.01
d) Advance from Customers	25,163.46	16,792.11
e) Security Deposit	1,424.20	1,483.70
f) Current Account	36,258.99	29,923.67
Total	199,829.57	150,385.40

NOTE NO. 2.8 : SHORT TERM PROVISIONS (Amount in Rs. '000)

Particulars	As at 31st March ,2015	As at 31st March,2014
Provision for Income Tax	11,650.00	27,946.58
Less : Mat Credit Entitlement	-	5,610.83
Less: Advance Tax (As per contra)	(11,650.00)	22,335.75
Total	-	-

Accounting Standard 29:- "Provisions , Contingent Liabilities and Contingent Assets" : Movement of Provisions:

Nature of Provision	Provision outstanding at the beginning of the year	Provision made during the year	Short Provision charged to Statement of Profit and Loss	Provision utilized during the year	Provision outstanding at the end of the year
Provision for Taxation	27,946.58	11,650	662.24	28,609	11,650

NOTE NO. 2.9 FIXED ASSETS



S.No.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		Opening balance As on 01.04.2014	Purchases / Additions during the year	Sales / Adjustments during the year	Total Cost As At 31.03.2015	Up to 31.03.2014	for the period	Written back	Reversed	Up to 31.03.2015	As At 31.03.2015	As At 31.03.2014
	TANGIBLE ASSETS :											
1	Land- Leasehold	34,860.86	-	-	34,860.86	-	-	-	-	-	34,860.86	34,860.86
2	Factory Building	147,863.36	31,649.85	-	179,513.21	19,392.56	5,121.68	-	-	24,514.24	154,998.97	128,470.79
3	Staff & Labour Quarters	5,080.00	-	-	5,080.00	165.83	81.55	-	-	247.38	4,832.62	4,914.17
4	Plant & Machinery	798,928.69	420,458.83	-	1,219,387.51	377,090.67	95,040.62	-	-	472,131.29	747,256.22	421,838.02
5	Weighing Scale	87.81	-	-	87.81	66.96	0.46	-	-	67.42	20.39	20.85
6	Misc. Fixed Assets	11,172.68	12,522.00	4,477.95	19,216.73	2,662.15	3,109.89	-	-	5,772.04	13,444.69	8,510.54
7	Lab Equipment	1,701.14	136.09	-	1,837.23	412.73	527.08	-	-	939.81	897.42	1,288.41
8	Elect. & Water Fitting	23,062.23	14,779.42	310.19	37,531.47	6,379.94	6,158.87	-	-	12,538.81	24,992.66	16,682.29
9	DG Set	1,749.95	929.16	-	2,679.11	591.68	203.65	-	-	795.33	1,883.78	1,158.28
10	Weighbridge	1,249.35	-	13.33	1,236.02	248.50	99.26	-	-	347.75	888.27	1,000.85
11	Furniture & Fixtures	7,221.83	1,312.25	8.38	8,525.69	3,181.90	1,019.03	-	-	4,200.93	4,324.76	4,039.93
12	Vehicles	6,293.12	-	496.77	5,796.35	2,574.72	819.91	241.76	-	3,152.87	2,643.48	3,718.40
13	Office Equipment	2,023.66	749.35	509.12	2,263.88	623.88	342.70	-	-	966.58	1,297.30	1,399.77
14	Computer	3,179.87	764.38	194.48	3,749.77	2,307.19	475.00	-	-	2,782.19	967.58	872.69
14	IT Equipments	1,294.78	-	-	1,294.78	1,230.04	-	-	-	1,230.04	64.74	64.74
15	Office Building	820.70	-	-	820.70	110.90	13.11	-	-	124.01	696.69	709.80
16	Canteen Appliances	188.55	-	49.58	138.97	45.72	41.89	-	-	87.60	51.37	142.83
17	Medical Equipments	-	-	-	-	-	-	-	-	-	-	-
18	A.C. Equipments	229.07	-	107.96	121.12	109.66	-	-	-	109.66	11.46	119.41
	TOTAL PREVIOUS YEAR	1,047,007.64 809,885.21	483,301.33 237,122.43	6,167.76 -	1,524,141.21 1,047,007.64	417,195.02 342,645.64	113,054.70 74,549.38	241.76 -	- -	530,007.96 417,195.02	994,133.26 629,812.63	629,812.63 467,239.57

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Note No. 2.9 : CAPITAL WORK IN PROGRESS

DESCRIPTION OF ASSETS	Gross Block			
	As at 01.04.2014	Additions	Capitalized during the year	As at 31.03.2015
Capital Work in Progress	70,405.41	409,685.43	464,352.51	15,738.33
Total	70,405.41	409,685.43	464,352.51	15,738.33
Previous Year	-	-	-	-

**NOTE NO 2.10 : LONG TERM LOAN & ADVANCES**

(Amount in Rs. '000)

Particulars	As at 31st March ,2015	As at 31st March,2014
Unsecured and considered good		
a) Security Deposits	11,900.68	10,577.79
b) Prepaid Expenses	-	-
c) Capital Advances	-	10,768.07
Total	11,900.68	21,345.86

NOTE NO. 2.11 INVENTORIES

(Amount in Rs. '000)

Particulars	As at 31st March ,2015	As at 31st March,2014
Raw Material	27,894.41	32,817.12
Work In process	129,461.31	108,471.49
Finished Goods		
Towel	61,010.23	5,521.14
Waste	109.60	28.81
Stores,spares and Consumables	38,219.13	25,828.03
Dyes & Chemicals	24,433.16	15,014.04
Packing Material	3,592.02	2,606.56
Total	284,719.85	190,287.19

NOTE NO. 2.12 : TRADE RECEIVABLES

(Amount in Rs. '000)

	As at 31st March ,2015	As at 31st March,2014
UNSECURED & CONSIDERED GOOD		
Exceeding six months	573.15	830.35
Others	207,804.47	255,852.72
Total	208,377.61	256,683.07

NOTE NO. 2.13 : CASH & BANK BALANCES

(Amount in Rs. '000)

	As at 31st March ,2015	As at 31st March,2014
Bank Balance		
- In Current Account and Deposit Account	3,277.28	16,380.53
- In Fixed Deposit Account*	-	1,471.32
Cash on Hand	509.62	416.74
	3,786.90	18,268.59

*Margin against Bank Guarantee of Rs. NIL (Previous year Rs 2,80,00,000) issued by State Bank of Bikaner & Jaipur for a period less than 12 months

NOTE NO. 2.14 : SHORT TERM LOANS & ADVANCES

(Amount in Rs. '000)

	As at 31st March ,2015	As at 31st March,2014
Unsecured & considered good		
a) Advances recoverable in cash or in kind or for value to be received	9,660.12	7,410.28
b) Advances to Employees & Workers	199.61	209.58
Total	9,859.73	7,619.86


NOTE NO. 2.15: OTHER CURRENT ASSETS
(Amount in Rs. '000)

	As at 31st March ,2015		As at 31st March,2014
Unsecured & considered good			
Prepaid Expenses	716.98	913.99	
Less : Transfer to long term loan & advances	-	-	913.99
	716.98		
Income Tax Refundable	4,483.94		32.44
Advance Income Tax and TDS	14,009.15	27,331.62	
Less: Provision for Current Tax (As Per Contra)	(11,650.00)	22,335.75	4,995.87
Vat Refundable	17,584.87		13,133.48
Excise & Service Tax Receivable	216.25		218.76
Excise & Service Tax (Under Protest)	178.02		178.02
Input Tax Credit	469.89		639.71
Employee Group Gratuity Fund	7,627.55		3,172.83
Interest Receivable Under TUF Scheme	30,863.32		19,391.57
Receivables Against Export	67,088.14		54,925.53
Insurance Claim Receivable	4,820.83		-
Accrued Interest	-		318.02
MAT Credit (as per Provisions of Income Tax Act, 1961)	11,650.00	5,610.83	
Less:Mat Credit Utilized (Contra)	-	5,610.83	-
TED Receivable	67.34		-
Train to Gain Receivable	1,200.00		-
Total	149,326.28		97,920.21

NOTE NO. 2.16: CONTINGENT LIABILITIES (AS-29)

Contingent liabilities not provided in respect of:

Gaurantees given by the bank Rs. 4,00,00,000 (Previous year Rs. 2,80,00,000) for which Company has provided Counter Gaurantee to bank and also secured by the securities as mentioned in Note No. 2.3 Long Term Borrowings.

Disputed excise duty of Rs. 243,190 (Previous year Rs. 243,190) for the period F.Y. 2001-02 to 2004-05 (Upto Feb.05) for which appeal is pending before CESTAT

Disputed Service Tax of Rs. 3,375,730 (Previous year Rs. 3,375,730) for the year 2005-06 to 2008-09 for which appeal is pending before CESTAT.

Estimated cost of contract remaining to be executed on capital account Rs. Nil (Previous year 290693617.00).

NOTE NO. 2.17: REVENUE FROM OPERATIONS
(Amount in Rs. '000)

	Current Year		Previous Year
(a) Sale of Products:			
Terry Towels (Net)	1,686,575.71		1,377,260.33
(b) Sale of Services:			
Commission Income	8,848.41	10,011.48	
Processing Charges	4,699.89	1,291.40	11,302.88
(c) Other Operating Revenues:			
Duty Drawback	104,773.71	78,727.08	
Import Licences (DEPB/FPS/MLFPS)	54,095.37	43,204.96	121,932.04
Total	1,858,993.09		1,510,495.25

NOTE NO. 2.18: OTHER INCOME
(Amount in Rs. '000)

	Current Year		Previous year
Interest Income	7,614.93		21,276.83
Other non-operating income :			
Foreign Exchange Gain	27,409.56	-	
Rental Income	4,951.83	4,698.88	
Other Miscellaneous income	9,083.04	530.74	5,229.62
Total	49,059.36		26,506.45


NOTE NO. 2.19 : COST OF MATERIALS CONSUMED
(Amount in Rs. '000)

	Current Year	Previous year
Raw Material Consumed		
Opening Stock	32,817.12	30,633.57
Add: Purchases of Yarn	798,294.25	688,217.73
Purchase of Fabric	4,667.69	-
Freight	76.38	62.57
	835,855.44	718,913.87
Less: Closing Stock	27,894.41	32,817.13
	807,961.03	686,096.74
Dyes & Chemicals Consumed		
Opening Stock	15,014.04	11,253.10
Add: Purchases	205,229.17	110,703.56
Freight	720.25	1,182.20
	220,963.46	123,138.86
Less: Closing Stock	24,433.15	15,014.04
	196,530.31	108,124.82
	1,004,491.34	794,221.56

NOTE NO. 2.20 : CHANGE IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS
(Amount in Rs. '000)

	Current Year	Previous year
Finished Goods (Towel)		
Closing	61,010.22	5,521.14
Opening	5,521.00	45,936.47
	55,489.22	(40,415.33)
Work in progress		
Closing	129,461.30	108,471.49
Opening	108,471.00	87,084.75
	20,990.30	21,386.74
Saleable Waste		
Closing	109.59	28.81
Opening	28.81	16.25
	80.78	12.56
Total	76,560.30	(19,016.03)

NOTE NO. 2.21 : MANUFACTURING EXPENSES
(Amount in Rs. '000)

	Current Year	Previous year
Consumable Stores	60,836.30	41,178.95
Job Charges	46,305.65	12,674.25
Packing Material	40,949.68	31,826.51
Power & Fuel	155,437.54	102,014.23
Repairs & Maintenance- Building	2,740.94	1,402.62
Repairs & Maintenance- Plant & Machinery	3,948.15	3,950.48
Stores & Spares	26,397.93	22,864.31
Other Manufacturing Expenses	10,434.77	11,510.52
Total	347,050.96	227,421.87

NOTE NO. 2.22: EMPLOYEES BENEFITS EXPENSES
(Amount in Rs. '000)

	Current Year	Previous year
Salaries & Wages	210,098.95	161,012.04
Contribution to Provident Fund	4,229.89	556.72
ESIC	153.47	161.04
Gratuity	2,236.33	3,705.42
	6,619.69	4,423.19
Staff welfare Expenses	16,012.19	10,057.26
Total	232,730.83	175,492.49



As per Accounting Standard 15 - "Employee Benefits", the disclosure of Employee Benefits as defined in the accounting standard are given below:

a) Defined Contribution Plan : Employer's contribution to provident fund provided Rs. 42,28,949.00 (Previous year Rs. 5,56,722.00) has been recognized as expenses for the year.

b) Defined Benefit Plan : Present value of gratuity is determined based on actuarial valuation using the projected unit credit method.

Actuarial Valuation

Particulars	Amount (Rs.)	Amount (Rs.)
PV of Past Service Benefit	5,233,200	3,567,116
Current Service Cost	3,887,796	3,317,549
Total Service Gratuity	143,087,526	124,916,868
Accrued Gratuity	6,588,003	4,513,477
LCSA	119,257,994	97,775,877
LC Premium	187,532	150,182
Service Tax	23,179	18,562

Recommended Contribution Rate

Particulars	Amount (Rs.)	Amount (Rs.)
Fund Value as on renewal date/Initial Contribution	7,341,632	4,087,287
Additional Contribution for existing fund	0	0
Current Service Cost	1,934,121	2,797,378
Total Amount Payable	2,144,832	2,966,122

Actuarial Assumptions

Particulars	Amount (Rs.)
Mortality Rate	LIC (1994-96) ultimate
Withdrawal Rate	1% to 3% depending on age
Discount Rate	8% p.a.
Salary Escalation	7%

NOTE NO. 2.23: FINANCE COST

(Amount in Rs. '000)

	Current Year	Previous year
a) Interest Expenses	85,836.96	49,216.45
b) Other Borrowing Costs	6,258.06	8,527.53
Total	92,095.02	57,743.98

The company has applied for claim of interest subsidy to the State Level Screening Committee, Udyog Bhawan Jaipur in their scheme "Special Customized Package for Textile Sector Enterprises 2013, in which company is eligible for interest subsidy against term loan of Rs.3450.00 lacs from SBBJ & Rs.2275.00 lacs from SBI..However approval is still pending.

NOTE NO. 2.24 :OTHER EXPENSES

(Amount in Rs. '000)

	Current Year	Previous year
Insurance	1,050.64	745.62
Rent	1,508.54	290.44
Clearing & Forwarding Charges	43,490.87	32,381.35
Commission on sale	62,624.25	34,715.20
Payment to Auditors		
- As Auditor	150.00	90.00
Miscellaneous Expenses	30,090.43	22,583.06
Total	138,914.73	90,805.67



NOTE NO. 2.25 : EARNING PER SHARE

Particulars	Unit	Current Year	Previous year
a) Amount used as the numerator profit after tax, dividend on preference shares and tax thereon	Rs. In '000	26742.21	68521.03
b) Weighted average number of equity shares used As the denominator in computing basic Earning Per Share	Nos in '000	5221	5221
c) Nominal Value per share	Rs.	10	10
d) Earning per share			
Basic	Rs.	5.12	13.12
Diluted	Rs.	5.12	13.12

3) OTHER NOTES

3.1 Related party Disclosure (AS-18)

The company has identified all the related parties as per details given below.

Relationship:

a) Key Management Personnel and their enterprises

Shri G.S Kandoi
Shri Manish Singhal
Shri Ramesh Chand Maheshwari
Smt. Savitri Kandoi
Miss Navita Khunteta
Shri Shiv Ratan Sharma

b) Relative of Key Management Personnel and their enterprises

1. Shri Vivek Singhal
 - a) Chrome International Co Ltd
 - b) Bhavish Infravest& Developers Pvt Ltd
2. Shri Baldev das Gauri Shanker HUF
3. Smt. Prity Singhal
4. Manish Singhal HUF

c) Transaction carried out with related parties referred in 1, in ordinary Course of business:

(Amount in Rs.)

Nature of Transaction	Related Party			
	Referred in 1(a) above		Referred in 1(b) above	
	Current Year	Previous year	Current Year	Previous year
Expenses				
Salary	9,819,482	7,560,000	2,400,000	2,400,000
Interest	3,926,286	3,656,114	738,520	1,125,588
Loan Payable as on 31.03.2015	30,363,054	29,637,397	5,895,944	286,276
Rent Recd	-	-	60,000	40,000
Rent Paid	-	-	1,385,000	-
Goods purchased	-	-	94,387,012	34,068,119

3.2 Export obligation against EPCG License Rs.6,16,70,064 (Previous year Rs 55,26,94,716) is outstanding as on 31.3.2015.

3.3 The company is engaged mainly in textile business and it has following Business Segments in terms of AS-17 which are not reportable segments and hence, no reporting is done.

- 1) Textile & Garment
- 2) Agency Division.

3.4 Accounting Standard 28- "Impairment of Assets"-

The company assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts.



3.5 Financial and Derivatives Instruments

Company has entered into following foreign exchange financial instruments

a) The company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments on forecasted as transactions as approved by Board of Directors. The company does not use forward contracts for speculation purpose.

Outstanding forward exchange financial instruments entered into by the company as on 31.3.2015 is as under:

Particulars	(Amount in Rs.)	
	As at 31.03.2015	As at 31.03.2014
No. of contracts	4	4
US Dollar	1,574,623	1,350,000
INR equivalent	98,413,937	86,605,000

3.6 Value of Imports on CIF basis:-

Particular	(Amount in Rs.)	
	Current Year	Previous year
Spare parts & consumables	13,240,949	11,644,497
Capital Goods	255,569,019	84,584,830

3.7 Value of Raw Material, Components, & Spare Parts consumed

Particular	(Amount in Rs.)			
	Current Year		Previous year	
	Amount	%	Amount	%
Raw material				
Imported	-	-	-	-
Indigenous	1,004,491	100	794,222	100
Spare parts				
Imported	14,161	34.91	4775.23	31.48
Indigenous	26,398	65.09	18,089.07	68.52

3.8 Expenses in foreign currency in respect of

Particulars	(Amount in Rs.)	
	Current year	Previous year
Travelling	882,863	46,000
Commission	51,066,601	23,473,218
Marketing/ Exhibition Exp.	973,142	1,458,351
Membership Fee	151,000	-
Inspection Fee	62,736	-
Misc. Exp.	53,348	-
Testing Fee	20,441	83,785

3.9 Earning in Foreign Currency

Particulars	(Amount in Rs.)	
	Current year	Previous year
Export of Goods on FOB Basis	1,481,095,353	1,083,535,762

3.10 All assets and liabilities are presented as Current and Non current as per the criteria set out in the Revised Schedule III of The Companies Act 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the company has ascertained its operating cycle less than 12 months, accordingly 12 months period has been considered for the purpose of Current/ Non-current classification of assets and liabilities.

In terms of our Audit Report of even date

FOR R SOGANI & ASSOCIATES
Chartered Accountants
FRN: 018755C

For & on behalf of the Board
FOR KG PETROCHEM LTD.

(BHARAT SONKHIYA)
Partner
M. No. 403023

(G. S. KANDOI)
Chairman Cum Managing Director
DIN: 00120330

(MANISH SINGHAL)
Director
DIN: 00120232

Place : JAIPUR
Dated: 30.05.2015

(NAVITA KHUNTETA)
Company Secretary
M.No. A-35214

KG PETROCHEM LIMITED

Registered Office: C-171, Road NO.9J, V.K.I. Area, Jaipur Rajasthan-302013
CIN: L24117RJ1980PLC001999 Contact: 0141-2331231 Fax: 0141-2332845
Email: jproffice21@bhavik.biz Website: www.kgpetro.in

ATTENDANCE SLIP

I/We.....R/o hereby record
my/our presence at the 35th Annual General Meeting of the Company on Wednesday, 30th day of
September, 2015 at 3.00 P.M at C-171, Road No 9J, VKI Area, Jaipur 302013, Rajasthan

DPID * :	Folio No. :
Client ID * :	No. of Shares :

* Applicable for investors holding shares in electronic form.

Signature of shareholder(s)/ proxy

Note:

1. Please fill this attendance slip and hand it over at the entrance of the hall.
2. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
3. Electronic copy of the Annual Report for 2015 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
4. Physical copy of the Annual Report for 2015 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

KG PETROCHEM LIMITED

Registered Office: C-171, Road NO.9J, V.K.I. Area, Jaipur Rajasthan-302013 CIN: L24117RJ1980PLC001999
 Contact: 0141-2331231 Fax: 0141-2332845 • Email: jproffice21@bhavik.biz Website: www.kgpetro.in

PROXY FORM FORM NO MGT-11

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

CIN : L24117RJ1980PLC001999
 Name of the Company : KG Petrochem Limited
 Registered Office : C-171, Road NO.9J, V.K.I. Area, Jaipur Rajasthan-302013
 Name of the member :
 Registered Address :
 Email ID :
 Folio No/Client No :
 DP ID :

I/We being the member(s) of ----- Shares of the above Company hereby appoint:

S.No.	Name	Address	Email address	
1				or failing him
2				or failing him
3				

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company on Wednesday, 30th day of September, 2015 at 03.00 P.M. at C-171, Road No 9J, VKI Area, Jaipur 302013, Rajasthan and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

S.No.	Resolution	For	Against
1.	Adoption of Audited Financial Statement of the company for the year ended 31.03.2015 together with the report of the Board of Directors and Auditors.		
2.	Re-appointment of Shri Manish Singhal, who retires by rotation.		
3.	Appointment of R. Sognai & Associates, Chartered Accountant as auditors of the company		
4.	Revision in the Remuneration of Shri Gauri Shankar Kandoi Managing Director of the Company		
5.	Revision in the Remuneration of Shri Manish Singhal Whole Time Director of the Company		
6.	Revision in the Remuneration of Shri Ramesh Chand Maheshwari Whole Time Director of the Company		

** It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Signed this day of 2015
 Signature of shareholder.....
 Signature of Proxy holder(s) (1).....
 Signature of Proxy holder(s) (2).....
 Signature of Proxy holder(s) (3).....

Affix
Revenue
Stamp
not less
than
Re.0.15

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
5. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 35th Annual General Meeting.
5. Please complete all details including details of member(s) in above box before submission.