



KG Petrochem Limited

Corporate Office : F-394 (G), Road No. 9F2, V.K.I.Area, JAIPUR - 13 INDIA
Phone : (O) 0141 - 2331231, 4106800 • Fax : 91-141-2332845
E-mail : manish@bhavik.biz • Website : www.kgpetro.in
CIN : L24117RJ1980PLC001999

KGPL/19-20/19

Dated: 22.08.2019

**General Manager
Bombay Stock Exchange Limited
Phiroze jeejeebhoy Towers
Dalal Street
Mumbai- 400001**

Sub: Annual Report for Financial Year 2018-19.

Scrip Code: 531609

Dear Sir

As required under Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015, we submit herewith the Annual Report of the Company for the financial year 2018-19 for the Annual General Meeting scheduled to be held on September 09, 2019 at 11.00 a.m. at the corporate office of the Company.

Kindly take the above on record and acknowledge the receipt of the same.

Thanking You.

Yours Sincerely
For KG Petrochem Limited

Neetu Sharma
Company Secretary
M. No. 41122

**BOARD OF DIRECTORS****MR. G.S. KANDOI**

Chairman cum Managing Director

MR. MANISH SINGHAL

Executive Director

MR. R. C. MAHESWARI

Whole Time Director upto 08.03.2019

MRS. PRITY SINGHAL

Executive Director

MR. KAMLESH SHARMA

Independent Director

MR. RADHEY SHYAM GEMINI

Independent Director till 07.02.2019

MR. RAMESHWAR PAREEK

Independent Director till 07.02.2019

MR. RAJ KUMAR AGARWAL

Independent Director till 26.09.2018

MR. PRAMOD AGARWAL

Independent Director from 12.10.2018 till 26.02.2019

MR. JAI PRAKASH KHANDELWAL

Independent Director w.e.f. 14.02.2019

MR. BRIDHI CHAND SHARMA

Independent Director w.e.f. 26.02.2019

CHIEF FINANCIAL OFFICER**MR. SHIV RATAN SHARMA****COMPANY SECRETARY & COMPLIANCE OFFICER****CS SAIED MOHAMMAD**

(From 30.05.2018 till 06.09.2018)

CS NEETU SHARMA (From 12.10.2018)**STATUTORY AUDITORS****M/S R. SOGANI & ASSOCIATES**

Chartered Accountants,

Shri Dham, R-20, Yudhishter Marg,

C-Scheme, Jaipur-302005

SECRETARIAL AUDITOR**M/S. ARMS & ASSOCIATES LLP**

Company Secretary in Practice

24 Ka 1, Jyoti Nagar, Jaipur-302005

REGISTRAR & SHARE TRANSFER AGENT**M/S. NICHE TECHNOLOGIES PVT. LTD**

Room No. 7A & 7B, 7th Floor

3A Auckland Place, Kolkata-700017

DEPOSITORY PARTICIPANT

National Securities Depository Ltd.

Central Depository Services (India) Ltd

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REGISTERED OFFICE

C-171, Road No.9J, V.K.I. Area,

Jaipur-302013, Rajasthan

CORPORATE OFFICE

F-394(G), Road No 9F2, VKI Area,

Jaipur-302013, Rajasthan

WORKS

1. Plot No. SP-4/3, RIICO Industrial Area, Village & Post Keswana, Tehsil Kotputli, District Jaipur-303108
2. Plot No. SP-4/3A, RIICO Industrial Area, Village & Post Keswana, Tehsil Kotputli, District Jaipur-303108
3. C-171, Road No.9J, VKI Area, Jaipur-302013
4. F-276, Road No. 13, VKI Area, Jaipur-302013, Rajasthan

BANKER

CHAIRMAN'S MESSAGE

Dear Fellow Shareowners,

My colleagues on the Board, I extend my warm welcome and express their gratitude to the all present here at this 39th Annual General Meeting of your Company. I am pleased to present the 39th Annual Report of KG Petrochem Limited reflecting our accomplishments during the financial year 2018-2019. Your Company performed well during the financial year. The Board Report and Audited Financial Statements of the Company for the year ended March 31, 2019 along with the Auditors' Report thereon has been with you.



In 2018, the global economy began its journey on a firm footing with estimated global economic growth of 3.6%. During the second half of 2018, this rate of development gradually declined, owing to impending US-China trade dispute and some slowdown across developed markets. Emerging and developing markets of Asia maintained their steady progress at 6.4% during 2018. However, it's important to note that India's economy expanded at 7.1% in 2018 vis-à-vis 6.7% in 2017.

India's overall textile exports is expected to increase to US\$ 82.00 billion by 2021 from US\$ 31.65 billion in FY19. Globally, technical textiles account for more than one third of all textile consumption. Currently, India accounts for only 8.6% of global technical textiles consumption.

The Indian Textile Industry continued to reel under pressure on account of increased cost and decreased profitability. Your Company continued to deliver stable operational and financial progress during the period under review and received export award as highest exporter in the 2nd category. We are delighted to see our revenue from operation achieving new milestone of Rs.25665.69 lacs in FY 2018-19 as against Rs. 23357.47 lacs in FY 2017-18, KGPL achieved its next record level of export (FOB) Rs.19717.37 lacs in F.Y. 2018-19 in comparison to Rs. 18897.23 lacs in F.Y. 2017-18, export turnover slightly increase along with profit before tax Rs. 1524.98 lacs as against Rs. 980.01 lacs in the previous year.

Further Ultra Polycoats has started its production in the second quarter of previous year and showing significant sale in the domestic market maintaining the quality and price of the Product. After analyzing market demand and trend, Company has decided to expand the manufacturing of artificial leather and therefor second coating line is in process of installation and is expected to start by the end on 2nd quarter of current year.

As we look ahead to greater prosperity in the years ahead, I extend my sincere thanks to all our stakeholders including lending banks, shareholders, customers and our loyal, hardworking and committed employees for their unstinted support in shaping and improving the performance of the Company and for inspiring us even in the turbulent time in the recent past.

With warm regards,

Gauri Shanker Kandoi
Chairman



KG PetroChem Limited

CIN: L24117RJ1980PLC001999

Registered Office: C-171, Road No.9J, V.K.I. Area, Jaipur Rajasthan-302013

Email: jproffice21@bhavik.biz Website: www.kgpetro.in

NOTICE

Notice is hereby given that 39th Annual General Meeting of **KG PETROCHEM LIMITED** will be held on Monday, **September 09, 2019** at **11.00 A.M** at Corporate office situated at F-394 (G) Road No. 9F2, VKI Area, Jaipur-302013, Rajasthan to transact the following business:

ORDINARY BUSINESS:

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

- 1. To Consider and adopt the Audited Standalone Financial Statement of the company for the year ended 31st March, 2019 together with the Reports of the Board of Directors and Auditors thereon**

“**RESOLVED THAT** the Audited Balance Sheet as on 31st March 2019, Statement of Profit & Loss and the Cash Flow Statement for the financial year ended on 31st March, 2019 and the Reports of the Board of Directors and the Auditors thereon, be and are hereby approved and adopted.”

- 2. To appoint Director in place of Mrs. Prity Singhal (DIN: 02664482), who retire by rotation at this Annual General Meeting and being eligible, offer herself for re-appointment.**

“**RESOLVED THAT Mrs. Prity Singhal** (DIN: 02664482) Whole Time Director of the Company, who retires by rotation at this meeting pursuant to the provisions of section 152(6) (c) of the Companies Act 2013, being eligible for reappointment, be and is hereby appointed as a Whole Time Director of the Company.”

- 3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the Conclusion of the 44th Annual General Meeting and to fix their remuneration:-**

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time M/s R Sogani & Associates, Chartered Accountants (FRN: 018755C), be and is hereby appointed as Auditors of the Company for the second term of five consecutive years to hold office from the conclusion of this Annual General Meeting till the conclusion of the forty fourth Annual General Meeting to be held for the financial year 2023-24 at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”



SPECIAL BUSINESS:

- 4. Appointment of Mr. Jai Prakash Khandelwal as an Independent Director, and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution(s) as Special Resolution(s):**

"**RESOLVED THAT** pursuant to provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (herein after referred to as the 'Act'), the rules made there under read with Schedule IV to the Act and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as the 'Listing Regulations') and amendments thereto (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Jai Prakash Khandelwal (DIN 08361188) who was appointed by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, as an Additional Director of the Company with effect from February 14, 2019 under section 161(1) of the Act and who vacates his office at this Annual General Meeting and who is eligible for appointment and in respect of whom a notice in writing pursuant to section 160 of the Act has been received in the prescribed manner, proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years, effective from 14th February , 2019 up to 13th February 2024."

- 5. Appointment of Mr. Bridhi Chand Sharma as an Independent Director, and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution(s) as Special Resolution(s):**

"**RESOLVED THAT** pursuant to provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (herein after referred to as the 'Act'), the rules made there under read with Schedule IV to the Act and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as the 'Listing Regulations') and amendments thereto (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Bridhi Chand Sharma (DIN 08370330) who was appointed by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, as an Additional Director of the Company with effect from February 26, 2019 under section 161(1) of the Act and who vacates his office at this Annual General Meeting and who is eligible for appointment and in respect of whom a notice in writing pursuant to section 160 of the Act has been received in the prescribed manner, proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years, effective from 26th February , 2019 up to 25th February 2024."

- 6. Re-appointment of Mr. Kamlesh Sharma as an Independent Director of the company for a second term of five consecutive years with effect from 27th September, 2019 and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution(s) as Special Resolution(s):**

"**RESOLVED THAT** pursuant to provisions of section 149, 152 and any other applicable provisions of the Companies Act, 2013 (herein after referred to as the 'Act'), read with the



Companies (Appointment & Qualification of Directors) Rules, 2014 and Schedule IV to the Companies Act, 2013 and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations') and amendments thereto (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Kamlesh Sharma (DIN:00037588), who was appointed as an independent director of the Company at the thirty fourth Annual General Meeting of the company and who holds up to 26th September, 2019 and who is eligible for being re-appointed as an Independent Director and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed there under and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom a Notice in writing from a Member pursuant to section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years, effective from 27th September, 2019 up to 26th September 2024."

7. To consider and approve sell/transfer/dispose of the Agency Division of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution(s) as Special Resolution(s):

"RESOLVED THAT pursuant to the provision of section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to authorize Board of Directors to sell/transfer one of its business classified as Agency Division (Consignment Stockiest of GAIL (India) Ltd. for marketing and distribution of polymers in Rajasthan) as a going concern to such person as may be identified and on such terms and conditions as the board may consider in the best interest of the Company and subject to the policy of Gail India Limited in the regard."

**By the order of the Board of Directors
For KG PETROCHEM LIMITED**

Date: 14.08.2019

Place: Jaipur

**Sd/
Neetu Sharma
Company Secretary**



NOTES:

1. A member entitled to attend and vote at the Annual General 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 (a copy of proxy form is attached).the instrument appointing the proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding 50 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. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.
3. 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 authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members/ Proxies should bring the attendance slips duly filled-in for attending the meeting and deliver the same at the entrance of the meeting place.
5. 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.
6. Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the company.
7. Pursuant to the provisions of Section 91 of the Act and regulation 42 of the Listing Regulation, the Register of Members and Share Transfer Books of the Company will remain closed from Tuesday 03/09/2019 to Monday 09/09/2019 (both days inclusive).
8. 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 notify change of address, if any, to Company / Niche Technologies.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant dealing 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 / Niche Technologies.
10. Members are requested to bring their copies of Annual Report to the meeting.
11. Members seeking further information about the accounts are requested to write at least 7 days before the date of the meeting so that it may be convenient to get the information ready at the meeting.
12. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out



details relating to Special Business at the meeting. – are attached

13. Members are requested to inform the Company's Registrar and Share Transfer Agent i.e. Niche Technologies Pvt. Ltd., 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkatta-700001 about the changes, if any, in their registered address along with the Pin Code, quoting their Folio Number and DP ID. All correspondence relating to transfer of shares may be sent directly to the aforesaid Registrar and Share Transfer Agent of the Company.
14. SEBI vide its notification dated 8 June 2018 as amended on 30 November 2018, has stipulated that w.e.f. 1 April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialized form. The Company has complied with the necessary requirements as applicable, including sending of letters to shareholders holding shares in physical form requesting them to demat their physical holdings.
15. To comply with the above mandate, members who still hold share certificates in physical form are advised to dematerialise their shareholding to also avail numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
16. With a view to using natural resources, we request shareholders to update their e-mail addresses with their depository participants if shares held in demat mode and with the Registrar if the shares are held in Physical form.
17. Relevant documents referred to in accompanying Notice and Statements are open for inspection by the Members at the Registered Office of the company on all working days during business hours. Members may also note that the Notice of 39th Annual General Meeting and Annual Report for the year 2018-2019 is also available on the website of the Company www.kgpetro.in for their download.
18. Voting through electronic means:
 - a. 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 Regulation 44 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide remote e-voting facility to the members of the Company to exercise their right to vote in respect of the resolutions to be passed at the 39th Annual General Meeting. 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).
 - b. 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.
 - c. **The process and manner for remote e-voting are as under:**
 - (I) The voting period begins on Friday, 06.09.2019 at 10.00 A.M. and ends on



Saturday, 08.09.2019 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Monday, 02.09.2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha -numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company recording order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.



- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company Name i.e. KG Petrochem Limited on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to 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 a Compliance User 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 linked in the login 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.
- (xxi) 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 or contact them at 1800 200 5533
- d. Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting and that the members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- 19.** 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 Saturday, 07/09/2019 up to 5:00 p.m. without which the vote shall not be treated as valid.
- 20.** 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 02.09.2019. A person who is not a member as on cut-off date should treat this notice for information purpose only.
- 21.** The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / beneficial owner's position list provided by depositories as at closing hours of business, on 26/07/2019.
- 22.** The shareholders shall have one vote per equity share held by them as on the cut-off date of 02.09.2019. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
- 23.** Since the Company is required to provide members the facility to cast their vote by electronic means to the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 02.09.2019 and the shareholders not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- 24.** 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.



25. 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. 02.09.2019 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.

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 shall submit his report to the Chairman or in his absence Managing Director and CEO of the Company, who shall declare the result of the voting. 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 or in his absence Managing Director and CEO of the Company,

26. The results declared along with the report of Scrutinizer shall be placed on the website of the Company www.kgpetro.in and on the website of CDSL. The results shall also be forwarded to the Stock Exchange viz BSE Limited, where the shares of the company are listed.

27. Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the brief profile of Directors eligible for appointment and re-appointment is given in the Annexure to the Notice forming part of Annual Report.

Item No. 02:

As regards re-appointment of Mrs. Prity Singhal (DIN: 02664482) referred in item No. 02 of the notice following disclosure are made for the information of the shareholder:

Brief Resume	Mrs. Prity Singhal born on 03 rd December 1976 holding degree of Bachelor of Computer Science and working in the Manufacturing Industry from last 10 years.
Nature of expertise in specific functional area	Export, Production, Finance
Disclosure of relationship between directors	She is related to Key Managerial Personnel as follow: <ul style="list-style-type: none">• Wife of Executive Director Manish Singhal• Daughter in law of Managing Director Gauri Shanker Kandoi
Chairmanship/ Membership of committees of other Public Companies	Nil
Shareholding	Nil



EXPLANATORY STATEMENT

As required under Section 102 of the Companies Act, 2013 (“Act”), the following explanatory statement sets out all material facts relating to business mentioned under Item Nos. 4 to 7 of the accompanying Notice:

Item No. 4, 5 and 6:

It is proposed to regularize Mr. Jai Prakash Khandelwal and Mr. Bridhi Chand Sharma as Independent Director in terms of Section 149 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for a period of five years consecutive years who was appointed Additional Independent Directors in the Board meeting Held on 14th February 2019 and 26th February 2019 respectively.

Mr. Kamlesh Sharma who was appointed as Independent Director in 34th AGM has completed his five year tenure and is eligible for re-appointment as Independent Director

Notice in writing from member under sec. 160(1) of the Companies Act 2013 has been received proposing the appointment Mr. Jai Prakash Khandelwal, Mr. Bridhi Chand Sharma and Mr. Kamlesh Sharma as Independent Directors.

The Company has received a declaration from, Mr. Jai Prakash Khandelwal, Mr. Bridhi Chand Sharma and Mr. Kamlesh Sharma that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013. In the opinion of the Board Mr. Jai Prakash Khandelwal, Mr. Bridhi Chand Sharma and Mr. Kamlesh Sharma fulfill the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and they are independent of the management.

Copy of the draft letters for their appointment as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day upto the date of the AGM.



Details of Directors

seeking appointment & re-appointment at the Annual General Meeting

As regards appointment of Mr. Jai Prakash Khandelwal, Mr. Bridhi Chand Sharma and Mr. Kamlesh Sharma in Item No. 04, 05 and 06 of the notice following disclosure are made for the information of the shareholder:

Particulars	Mr. Jai Prakash Khandelwal (DIN: 08361188)	Mr. Bridhi Chand Sharma (DIN: 08370330)	Mr. Kamlesh Sharma (DIN: 00037588)
Brief Resume	Mr. Jai Prakash Khandelwal born on 27 th November 1955 holding degree of bachelor of law and worked in the Banking Industry for 30 years	Mr. Bridhi Chand Sharma born on 04 th May 1946 holding degree of bachelor of Business Administration and having experience of more than 40 years in Manufacturing Industry.	Mr. Kamlesh Sharma born on 06 th September 1969 working as a Insurance Advisory from last 20 years.
Nature of expertise in specific functional area	Banking Sector.	Manufacturing and Management	Insurance Advisory
Disclosure of relationship between directors	He is not related to any Key Managerial Personnel of the Company	He is not related to any Key Managerial Personnel of the Company	He is not related to any Key Managerial Personnel of the Company
Chairmanship/ Membership of committees of other Public Companies	Nil	Nil	Nil
Shareholding	Nil	Nil	Nil

Item No. 7:

Board of Directors are of the opinion that the revenues from the Agency Division (Consignment Stockiest of GAIL (India) Ltd. for marketing and distribution of polymers in Rajasthan) do not commensurate with the size of the company. Company is focussing on its Textile Business which is growing at a good pace and in order to make best use of its resources it is concluded that the company should sell/transfer/dispose the said Agency Division as going concern to such vendor as may be approved by the board of directors in the best interest of the Company and Gail India Limited.



Pursuant to the provisions of Section 180(1)(a) of the Companies Act 2013 and as a matter of good corporate governance , through this resolution consent of the members is sought through special resolution for authorizing board to sale/transfer/dispose of whole of the undertaking named as Agency Division (Consignment Stockiest of GAIL (India) Ltd. for marketing and distribution of polymers in Rajasthan.

The Board recommends the above resolution for your approval, as the same is in the interest of the company.

None of the Directors, Promoters & KMP'S and their relatives is in any manner concerned or interested in the passing of the said resolution.

**By the order of the Board of Directors
For K G PETROCHEM LIMITED**

**Sd/-
Neetu Sharma
Company Secretary
Membership No. 41122**

Date: 14.08.2019

Place: Jaipur



BOARD'S REPORT

To,
The Members of
KG Petrochem Limited

The Directors have pleasure in presenting this 39th Board's Report of the Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended 31st March, 2019.

1. FINANCIAL HIGHLIGHTS

	2018-2019	2017-2018
Gross Income	25665.69	23357.47
Profit Before Interest, Depreciation and Tax	3907.45	3055.88
Finance Cost	677.7	521.07
Profit Before Depreciation	3229.75	2534.81
Depreciation and Amortized Expense	1704.77	1554.8
Net Profit Before Tax	1524.98	980.01
Tax Expenses	655.43	198.52
Net Profit After Tax	869.55	781.49

2. REVIEW OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

During the Financial Year, the performance of the company from revenue point of view was improved as the Company has achieved turnover of Rs. 24,907.43 Lacs as against Rs. 22,727.38 Lacs in the preceding financial year. There was increase in the turnover of the company in comparison to last year. The profit before tax for the year Rs. 1,524.98 Lacs as compared to Rs. 980.01 Lacs in the previous year. Further Segment wise result of operation are as under:-

Textile Division

During the year, revenue from operation from Textile Division was Rs. 22,920.36 Lacs including export sales of Rs 19,717.37 Lacs (FOB) as against Rs. 22,634.61 Lacs including export of Rs. 18,897.23 Lacs in previous year, the growth of the division is not substantial. The performance of the division was average.

Agency Division

During the year the Agency Division has sold HDPE/LLDPE Granules 20,635.00 Mt. amounting to Rs. 22,073.00 Lacs in comparison of 23,367.50 Mt. amounting of Rs. 22,809.55 Lacs and earned commission of Rs. 82.01 Lacs as compared to last year Rs. 92.77 Lacs. The division has performed well during the year under review.

Garment Division

Garment division is doing 100% Job work only for Textile Division.

Technical Textile Division

During the year, its revenue from operation was Rs. 1,905.06 Lacs. During the year company has started production with the 1 coating line, Further Plant and Machinery are expected to arrive by the end of July 2019 and expected to complete by the end of next FY.

3. CHANGE IN NATURE OF BUSINESS, IF ANY

There was no change in the business of the Company during the financial year 2018-19.



4. DIVIDEND

In order to conserve the resources of company the Board of Directors are not recommending any dividend this year.

5. AMOUNTS TRANSFERRED TO RESERVES

During the year company has revalued its Land & Building therefor revaluation reserve of Rs. 4482.51 is created.

S. No.	Reserve Head	Opening Balance	Addition	Deduction	Closing Balance
1.	Revaluation Reserve	0.00	4,498.76	(16.25)	4,482.51
2.	General Reserve	36.47	16.25	0.00	52.72
3.	Retained Earnings	5306.30	869.55	0.00	6175.85

6. TRANSFER OF UNCLAIMED/ UNPAID DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") there was no unclaimed/ unpaid dividend, hence the company is not required to transfer any amount to Investor Education and Protection Fund

7. SHARE CAPITAL

The paid-up equity share capital as on 31 March 2019 was Rs. 5.22 Crore. There were no Public Issue, Right Issue issue, bonus issue or preferential issue, etc. during the year. The Company has not issued shares with differential voting rights or sweat equity shares, nor has it granted any stock options.

8. MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year, , and the date of this report

9. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there were no significant and material order passed by any Regulator or Court or Tribunal against the company, which may impact the going concern status or future operations of the company.

10. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

The Internal Control is intended to increase transparency and accountability in an organization's process of designing and implementing a system of internal control. The framework requires a company to identify and analyze risks and manage appropriate responses. The Company has successfully laid down the framework and ensured its effectiveness.

The company's internal controls system is commensurate with the size, scale, nature and complexity of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies.

The company has appointed M/s. Arpit Vijay & Co, Chartered Accountants (FRN-017737C) to oversee and carry out internal audit. The audit will be conducted on quarterly basis and Audit Committee will actively review



the Internal Audit Report. The Management with Audit Committee periodically reviews the Internal Control System and procedure for the efficient conduct of the business.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the period under review the following changes have occurred in the constitution of Directors and Key Managerial Personnel (KMP) of the company:

S.No	Name	Designation	Date of appointment	Date of cessation	Mode of Cessation
1	Mr. Rajkumar Agarwal	Independent Director	-	September 26, 2018	Resignation
2	Mr. Pramod Agarwal	Additional Director	October 12, 2018	February 26, 2019	Resignation
3	Mr. Rameshwar Pareek	Independent Director	-	February 7, 2019	Resignation
4	Mr. Radhey Shyam Gemini	Independent Director	-	February 7, 2019	Resignation
5	Mr. Jai Prakash Khandelwal	Casual Vacancy	February 14, 2019	-	-
6	Mr. Pawan Jain	Additional Director	February 14, 2019	February 26, 2019	Resignation
7	Mr. Bridhi Chand Sharma	Additional Director	February 26, 2019	-	-
8	Mr. Ramesh Chand Maheshwari	Whole Time Director	-	March 8, 2019	Resignation
9	Mr. Saied Mohammad	Company Secretary cum Compliance Officer		September 6, 2018	Resignation
10	Ms. Neetu Sharma	Company Secretary cum Compliance Officer	October 12, 2018		

The Board express their grateful appreciation for the assistance and guidance provided by Mr. Ramesh Chand Maheshwari, Mr. Rameshwar Pareek, Mr. Radhey Shyam Gemini, Mr. Raj Kumar Agarwal and Mr. Pramod Agarwal during their tenure

Further, the Companies Act, 2013 mandates that at least two-thirds of the total number of directors (excluding independent directors) shall be liable to retire by rotation. Accordingly, Mrs. Prity Singhal Whole Time Director (DIN: 02664482) being the longest in the office amongst the directors liable to retire by rotation, retire from the Board by rotation this year and, being eligible, offers her candidature for re-appointment. The Board recommends her re-appointment. A resolution seeking shareholders' approval for her re-appointment forms part of the Notice.

Brief details of Prity Singhal Whole Time Director, who is seeking re-appointment are given in the notice of Annual General Meeting. The Independent Directors have confirmed and have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company As per provision of the Section 203 of the Companies Act 2013, Mr. Gauri Shanker Kandoi Chairman cum Managing Director, Mr. Manish Singhal and Mrs. Prity Singhal Whole Time Directors, Mr. Shiv Ratan Sharma Chief Financial Officer (CFO) and Ms. Neetu Sharma Company Secretary are the Key Managerial Person of the Company as on March 31, 2019.



12. BOARD AND COMMITTEE MEETINGS

Seven meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report.

13. EVALUATION OF THE BOARD'S PERFORMANCE

In compliance with the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the performance evaluation of the Board was carried out during the year under review. More details on the same are given in the Corporate Governance Report. Separate exercise was carried out to evaluate the performance of the board 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 Company has prepared an Annual Performance Evaluation Policy for performance evaluation of Independent Directors, Board and its Committees. 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.

14. NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of Section 178(3) of the Companies Act 2013 Company has Nomination and Remuneration Policy and the same is given in the Corporate Governance Report forming part of this Report.

15. CREDIT RATING

Investment Information and Credit Rating Agency (ICRA) has assigned and continued a long-term rating of ICRA BBB (pronounced ICRA Triple B) and short-term rating of ICRA A3+ (ICRA A three Plus) vide letter dated 16.07.2018.

16. DISCLOSURE UNDER THE SEXUAL HARASMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the Financial Year ended on 31st March 2019, the internal complain committee on Sexual Harasment of Women, did not receive any compliant regarding sexual harasment of women at workplace by any employee.

17. LISTING STATUS

Securities of the Company are listed on the Bombay Stock Exchange.

18. INFORMATION ABOUT JOINT VENTURE/ SUBSIDIARY/ AND ASSOCIATE COMPANY

The company does not have any Joint Venture/ Subsidiary and Associate company.

19. BOARD COMMITTEES

The Company have following Committees as on March 31, 2019:

- a. Audit Committee
 - b. Nomination and Remuneration Committee
 - c. Stakeholder Relationship Committee
 - d. Corporate Social Responsibility (CSR) Committee
- The composition of the Committees, charters and details of meetings held during the year and attendance there at, are given in the Report on Corporate Governance forming part of the Annual Report.

20. WHISTLE BLOWER POLICY AND VIGIL MECHANISM

Pursuant to the provisions of Section 177 (9) of the Companies Act, 2013 and Regulation 22(1) of SEBI (Listing



Obligations and Disclosure Requirements), Regulation 2015 as amended, company has formulated a vigil mechanism (whistle blower policy) for its directors and employees of the Company.

The Whistle Blower Policy and Vigil Mechanism provides a mechanism for the director/employee to report without fear of victimization, any unethical behavior, suspected or actual fraud, violation of the Code of Conduct etc. violations and now instances of leak of Unpublished Price Sensitive Information, which are detrimental to the organization's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimization or any other unfair employment practice. The Company affirms that no employee has been denied access to the Audit Committee.

The Vigil Mechanism Policy is placed on the website of the Company at <http://www.kgpetro.in>.

21. CODE OF CONDUCT

Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015, requires every listed company to lay down a code of conduct for its directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013.

In this regard the Directors, Key Managerial Personnel and senior management of the Company have confirmed compliance with the Code of Conduct applicable to the Directors and employees of the Company and the declaration in this regard made by the Chairman cum Managing Director is attached as Annexure "I" which forms a part of this Report. The Code of Conduct is also available on the Company's website www.kgpetro.in

22.. HUMAN RESOURCE MANAGEMENT, HEALTH AND SAFETY

During the year the Company had cordial relations with workers, staff and officers. The shop floor management is done through personal touch, using various motivational tools and meeting their training needs requirements. The company has taken initiative for safety of employees and implemented regular safety audit, imparted machine safety training, wearing protective equipment's etc

Company continued to focus on attracting new talent while investing in organic talent development to help employees acquire new skills, explore new roles and realize their potential. The Company believes in empowering its employees through greater knowledge, team spirit and developing greater sense of responsibility. The total count of regular employees as at March 31, 2019 was 1123.

23. PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regarding employees is given in Annexure 'II'. There were 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.

24. EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) of the Companies Act, 2013 and read with Companies(Management and Administration) Rules, 2014, the extract of the Annual Return for the Financial Year 2019 is given in Annexure 'III' in the prescribed Form No. MGT-9, which is a part of this report.

25. 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, hence Form No. AOC-2 is not applicable to



the company.

During the year 2018-19, as required under section 177 of the Companies Act, 2013 and regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015, all related party transactions were placed before the Audit Committee for approval.

A statement showing the disclosure of transactions with related parties as required under Ind AS 24 is set out separately in this Annual Report.

26. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review pursuant to the provisions of Section 135 of the Companies Act, 2013 are set out in Annexure 'IV' of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available on http://kgpetro.in/corporate_responsibility.php.

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

Information on conservation of energy, technology absorption, foreign exchange earnings and out go pursuant to section 134 (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is given in "Annexure V" of the report.

28. CORPORATE GOVERNANCE

A separate report of the Board of Directors of the Company on Corporate Governance is included in the Annual Report as Annexure 'VI' and the Certificate from Mr. Sandeep Kumar Jain, Practicing Company Secretaries (M. No. F. 5398) confirming compliance with the requirements of Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is annexed as Annexure 'VII'.

29. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report, as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given in Annexure 'VIII'.

30. STATUTORY AUDITORS AND REPORT THEREON

Pursuant to the section 139 of the Companies Act, 2013, R Sogani & Associates, Chartered Accountants, (FRN 018755C), were appointed as the Statutory Auditors of the Company for a term of five years, from the conclusion of thirty fourth Annual General Meeting of the company till the conclusion of thirty ninth Annual General Meeting of the company. Accordingly, the term of R Sogani & Associates would be completed upon the conclusion of this Annual General Meeting of the company.

The Board of Directors, after considering the recommendations of the Audit Committee, has recommended the appointment of R Sogani & Associates, Chartered Accountants (FRN 018755C), as the Statutory Auditors of the Company for a second term of five consecutive years commencing from the conclusion of this Annual General Meeting till the conclusion of the forty forth Annual General Meeting of the company.

The Company has received a eligibility certificate cum consent letter from R Sogani & Associates, Chartered Accountants to the effect that the appointment, if made, would be in accordance with limits specified under section 141 of the Companies Act, 2013. And as required under SEBI Regulations, they have confirmed that they hold valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

A resolution proposing their appointment, from the conclusion of this Annual General Meeting till the conclusion of the forty forth Annual General Meeting of the Company, at a remuneration to be fixed by the Audit Committee and/or Board of Directors and billed progressively, is submitted at the Annual General Meeting for approval of the members. The Board recommends the appointment of R Sogani & Associates, Chartered



Accountants as the Statutory Auditors, for approval of the members.

Further, the Statutory Auditors' report do not contain any qualifications, reservations, or adverse remarks.

31. SECRETARIAL AUDITORS AND REPORT THEREON

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 Company has re-appointed M/s Arms & Associates LLP, Practicing Company Secretaries, to undertake the secretarial audit of the Company for the financial year ended 31st March, 2019.

The Secretarial Audit Report Submitted by M/s Arms & Associates LLP, Practicing Company Secretaries, for the financial year ended 31st March, 2019 in the prescribed form MR-3 is annexed to the report as Annexure IX.

The said secretarial audit report does not contain any qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditor.

In addition to the above and pursuant to SEBI Circular dated 8 February 2019, a Report on Secretarial Compliance by M/s Arms & Associates LLP for the year ended 31 March 2019 is being submitted to stock exchanges. There are no observations, reservations or qualifications in the said Report.

32. COST AUDIT

As per Sub Rule (3) of Rule 4 of Companies (Cost Records & Audit), Rules, 2014, Cost Audit for the FY 2018-19 is not applicable on the company, as the export turnover of the company is more than 75% of its total turnover.

33. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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 financial year 2018-19.

34. DEPOSITS FROM PUBLIC

The company has not accepted any deposits from public and as such no amount of principal or interest on deposits from public was outstanding as at the Balance Sheet date.

35. DEMATERIALISATION OF SHARES

The shares of the Company are being traded in electronic form and the Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, Members are requested to avail the facility of dematerialization of shares with either of the Depositories as aforesaid. As on March 31, 2019, 97.44% of the share capital stands dematerialized.

36. PREVENTION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading Regulations), 2015, the Board has formulated and implemented a Code of Conduct to regulate, monitor and report trading by its employees and other connected persons and Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information. The same is available on the Company's website i.e. <http://www.kgpetro.in>

37. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013 the Board of Directors of the Company to the best of their knowledge and belief 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.

38. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Company for the year ended 31 March 2019 have been disclosed as per Division II of Schedule III to the Companies Act, 2013.

39. INDIAN ACCOUNTING STANDARDS, 2015

The annexed financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013.

40. SECRETARIAL STANDARDS OF ICSI

Pursuant to the approval given on 10 April 2015 by the Central Government to the Secretarial Standards specified by the Institute of Company Secretaries of India, the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from 1 July 2015. The said standards were further amended w.e.f. 1 October 2017. The Company is in compliance with the same.

41. CAUTIONARY STATEMENT

Statements in this report, describing the Company's objectives, expectations and/or anticipations may be 'forward looking' within the meaning of applicable Securities Law and Regulations. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, availability of inputs and their prices, changes in the Government policies, regulations, tax laws, economic developments within the country and outside and other factors such as litigation and industrial relations.

Except as required by law, the Company does not undertake to update any forward-looking statements to reflect future events or circumstances, Investors are advised to exercise due care and caution while interpreting these statements.

42. 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 on behalf of the Board of Director

KG Petrochem Limited

Date : 14.08.2019

**Manish Singhal
Whole Time Director**

**Gauri Shanker Kandoi
Chairman & Managing Director**

Place : Jaipur

DIN : 00120232

DIN : 00120330



ANNEXURE-I

Annual Compliance with the Code of Conduct for the Financial Year 2018-2019

Pursuant to the Schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, I hereby confirm that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended March 31, 2019 from all the Board Members and Senior Management Personnel.

For and on behalf of the Board of Directors

KG Petrochem Limited

Date : 14.08.2019

Place : Jaipur

Gauri Shanker Kandoi
Chairman & Managing Director
DIN : 00120330



ANNEXURE-II

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(g) AND SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

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	Shri Gauri Shanker Kandoi	74.59:1
		2	Shri Manish Singhal	74.59:1
		3	Smt. Prity Singhal*	41.95:1
		4	Shri. Ramesh C. Maheshwari	03.11:1
		None of the other directors received any remuneration during the Financial Year 2018-19		
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	Directors		
		1	Shri Gauri Shanker Kandoi	20.83
		2	Shri Manish Singhal	25.00
		3	Smt. Prity Singhal	22.22
		4	Shri. Ramesh C. Maheshwari**	03.07
		KMPs		
		1	Shri Shiv Ratan Sharma	9.56
		2	Shri Harish Attar**	0
		3	Shri. Saied Mohammad**	N.A.
4	Ms. Neetu Sharma**	N.A.		
3	The percentage increase in the median remuneration of the employees in the Financial Year	7.25		
4	The number of the permanent employee on the roll of the company	1123 Employees as on 31.03.2019		
5	The explanation on the relationship between average increase in the remuneration and company performance;	(i) Increase in salary is based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks		
6	Comparison of the remuneration of the KMP against the performance of the company;	Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2018-19 (R s. Lacs)	259.66	
		Revenue (Rs. Lacs)	25665.69	
		Remuneration of KMP's (as % of Income)	1.007	
		Profit before Tax (PBT) (Rs. Lacs)	1524.98	
		Remuneration of KMP's (as % of PBT)	17.02	
12	Affirmed that the remuneration is as per the remuneration policy of the Company.			

*** Mr.R.C maheshwari Resigned on 08.03.2019

*** Mr. Harshit Attar Resigned on 17.04.2018

** Mr. Saied Mohammad Appointed on 30.05.18 and Resigned on 06.09.2018 from the post of Company Secretary & Compliance

** Ms. Neetu Sharma Appointed as Company Secretary and Compliance Officer as on 12.10.2018



ANNEXURE - III
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company

I REGISTRATION & OTHER DETAILS:

i	CIN	L24117RJ1980PLC001999
ii	Registration Date	29th February 1980
iii	Name of the Company	KG PETROCHEM LIMITED
iv	Category/ Sub-category of the Company	Public Company/ Limited with Shares
v	Address of the Registered office & contact details	C-171, Road No. 9J, VK I Area, Jaipur-302013, Rajasthan Tel. No. 0141-2331231; 4106800 Fax: 91-141-2332845 Email Id: jproffice21@bhavik.biz Website: www.kgpetro.in
vi	Whether listed company	Listed
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Niche Technologies Pvt. Ltd. 71, B R B Basu Road, D-511, Bagree Market, 5th Floor, Kolkata-700001 West Bengal Tel No.: 033 - 22343576 / 22357270 / 7271 Fax: 033 - 22156823 Email Id: nichetechpl@nichetechpl.com Website: www.nichetechpl.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover

S. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Cotton Terry Towel	131	92.020
2	Artificial Leather	139	7.650

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

S.No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	N.A.	N.A.	N.A.	N.A.	N.A.



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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual / HUF	3897332	0	3897332	74.647	3897332	0	3897332	74.647	0.000
b) Centran Government									
c) State Government									
d) Bodies Corporate									
e) Banks / Financial Institutions									
f) Any Other									
Sub-total (A)(1)	3897332	0	3897332	74.647	3897332	0	3897332	74.647	0.000
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corporate									
d) Banks / Financial Institutions									
e) Any Other									
Sub-total (A)(2)	0	0	0	0.000	0	0	0	0.000	0.000
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	3897332	0	3897332	74.647	3897332	0	3897332	74.647	0.000
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds									
b) Banks / Financial Institutions									
c) Central Governments									
d) State Governments									
e) Venture Capital Funds									
f) Insurance Companies									
g) Foreign Institutional Investors (FII)									
h) Foreign Venture Capital Funds									
i) Others (Specify)									
Sub-total (B)(1)	0	0	0	0.000	0	0	0	0.000	0.000
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	210603	53600	264203	5.060	211549	53600	265149	5.079	0.019
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	92406	80250	172656	3.307	96876	78350	175226	3.356	0.049
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	881295	0	881295	16.880	881297	0	881297	16.880	0.000
c) Others Specify									
1. NRI	1130	0	1130	0.022	1004	0	1004	0.019	-0.003
2. Overseas Corporate Bodies									
3. Foreign Nationals									
4. Clearing Members	4384	0	4384	0.084	992	0	992	0.019	-0.065
5. Trusts									
6. Foreign Bodies - D.R.									
Sub-total (B)(2)	1189818	133850	1323668	25.353	1191718	131950	1323668	25.353	0.000
Total Public Shareholding (B) = (B)(1)+(B)(2)	1189818	133850	1323668	25.353	1191718	131950	1323668	25.353	0.000
C. Shares held by Custodian for GDRs & ADRs									
GRAND TOTAL (A+B+C)	5087150	133850	5221000	100.000	5089050	131950	5221000	100.000	0.000



ii. Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding 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	Bal Dev Das Gauri Shanker Kandoi HUF	330400	6.328	0.000	330400	6.328	0.000	0.000
2	Gauri Shanker Kandoi	1428807	27.367	0.000	1428807	27.367	0.000	0.000
3	Manish Singhal	1377625	26.386	0.000	1377625	26.386	0.000	0.000
4	Manish Singhal HUF	340000	6.512	0.000	340000	6.512	0.000	0.000
5	Savitri Kandoi	420500	8.054	0.000	420500	8.054	0.000	0.000
	TOTAL	3897332	74.647	0.000	3897332	74.647	0.000	0.000

iii. Change in Promoter's Shareholding (APECIFY IF THERE IS NO CHANGES)

SI No.	Name	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	Bal Dev Das Gauri Shanker Kandoi HUF				
	a) At the Beginning of the Year	330400	6.328	330400	6.328
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	330400	6.328	330400	6.328
2	Gauri Shanker Kandoi				
	a) At the Beginning of the Year	1428807	27.367	1428807	27.367
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	1428807	27.367	1428807	27.367
3	Manish Singhal				
	a) At the Beginning of the Year	1377625	26.386	1377625	26.386
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	1377625	26.386	1377625	26.386
4	Manish Singhal HUF				
	a) At the Beginning of the Year	340000	6.512	340000	6.512
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	340000	6.512	340000	6.512
5	Savitri Kandoi				
	a) At the Beginning of the Year	420500	8.054	420500	8.054
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	420500	8.054	420500	8.054
	TOTAL	3897332	74.647	3897332	74.647



iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.	For Each of the Top 10 Shareholders	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	260175	4.983	260175	4.983
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	260175	4.983	260175	4.983
2	Vandita Jain				
	a) At the Beginning of the Year	253900	4.863	253900	4.863
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	253900	4.863	253900	4.863
3	M T Financial Services Private Limited				
	a) At the Beginning of the Year	210000	4.022	210000	4.022
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	210000	4.022	210000	4.022
4	Vidit Jain				
	a) At the Beginning of the Year	176806	3.386	176806	3.386
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	176806	3.386	176806	3.386
5	Siddharth Kedia				
	a) At the Beginning of the Year	102300	1.959	102300	1.959
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	102300	1.959	102300	1.959
6	Prudential Capital Markets Ltd.				
	a) At the Beginning of the Year	52600	1.007	52600	1.007
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	52600	1.007	52600	1.007
7	Manik Chand Fogla				
	a) At the Beginning of the Year	35200	0.674	35200	0.674
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	35200	0.674	35200	0.674
8	Neelam Mittal				
	a) At the Beginning of the Year	17509	0.335	17509	0.335
	b) Changes during the year				
	Date Reason				
	23/11/2018 Transfer	1	0.000	17510	0.335
	08/03/2019 Transfer	1	0.000	17511	0.335
	c) At the End of the Year	17511	0.335	17511	0.335
9	Prabhudayal Fogla				
	a) At the Beginning of the Year	12300	0.236	12300	0.236
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	12300	0.236	12300	0.236
10	Asha Garg				
	a) At the Beginning of the Year	12100	0.232	12100	0.232
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	12100	0.232	12100	0.232
	TOTAL	1132890	21.699	1132892	21.699



v. Shareholding of Directors and Key Managerial Personnel

S. No.	Name of Director & KMP and Particulars of change	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	Mr. Gauri Shanker Kandoi					
		At the beginning of the year	1428807	27.367	1428807	27.367
		Changes during the year	[NO CHANGE DURING THE YEAR]			
		At the end of the year	1428807	27.367	1428807	27.367
2	Mr. Manish Singhal					
		At the beginning of the year	1377625	26.386	1377625	26.386
		Changes during the year	[NO CHANGE DURING THE YEAR]			
		At the end of the year	1377625	26.386	1377625	26.386
3	Mrs. Prity Singhal					
		At the beginning of the year	0	0.00	0	0.00
		Changes during the year	[NO CHANGE DURING THE YEAR]			
		At the end of the year	0	0.00	0	0.00
4	Mr. Jai Prakash Khandelwal					
		At the beginning of the year	0	0.00	0	0.00
		Changes during the year	[NO CHANGE DURING THE YEAR]			
		At the end of the year	0	0.00	0	0.00
5	Mr. Kamlesh Sharma					
		At the beginning of the year	0	0.00	0	0.00
		Changes during the year	[NO CHANGE DURING THE YEAR]			
		At the end of the year	0	0.00	0	0
6	Mr. Bridhi Chand Sharma					
		At the beginning of the year	0	0.00	0	0.00
		Changes during the year	[NO CHANGE DURING THE YEAR]			
		At the end of the year	0	0.00	0	0



6	Mr. Shiv Ratan Sharma	No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0.00	0	0.00
	Changes during the year	[NO CHANGE DURING THE YEAR]			
	At the end of the year	0	0.00	0	0

8	Ms. Neetu Sharma	No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0.00	0	0.00
	Changes during the year	[NO CHANGE DURING THE YEAR]			
	At the end of the year	0	0.00	0	0.00

V 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	12497.28	0.00	0.00	12497.28
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	12497.28	0.00	0.00	12497.28
Change in Indebtedness during the financial year				
Additions	1690.67	0.00	0.00	1690.67
Reduction	1253.01	0.00	0.00	1253.01
Net Change	437.66	0.00	0.00	437.66
Indebtedness at the end of the financial year				
i) Principal Amount	12934.94	0.00	0.00	12934.94
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	12934.94	0.00	0.00	12934.94



VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount
		Gauri Shanker Kandoi	Manish Singhal	Ramesh Chand Maheshwari*	Prity Singhal	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	96	96	3.67	54	249.67
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2	Stock option	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4	Commission as % of profit					
	others (specify)	Nil	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A)	96	96	3.67	54	249.67
	Ceiling as per the Act	Rs. 120.00 lacs (Calculated as per Schedule V and section 198 of the Companies Act, 2013)				

* Mr.Ramesh Chand Maheshwari has resigned on March 08, 2019

B. Remuneration to other Directors:

(Amount in Lacs)

S.No.	Particulars of Remuneration	Name of the Directors			Total Amount
		Jai Prakash Khandelwal	Kamlesh Sharma	Bridhi Chand Sharma	
1	Independent Directors				
	(a) Fee for attending board committee meetings	Nil	Nil	Nil	Nil
	(b) Commission	Nil	Nil	Nil	Nil
	(c) Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil

2	Other Non Executive Directors					
	(a) Fee for attending	Nil	Nil	Nil	Nil	
	(b) Commission	Nil	Nil	Nil	Nil	
	(c) Others, please specify	Nil	Nil	Nil	Nil	
	Total (2)					
	Total (B)= (1+2)	Nil	Nil	Nil	Nil	
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	
	Overall Ceiling as per the Act.	Rs. 120.00 lacs (Calculated as per Schedule V and section 198 of the Companies Act, 2013)				



C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Amount in Lacs)

S. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Harshit Attar** Company Secretary	Saied Mohammad*** Company Secretary	Neetu Sharma**** Company Secretary	Shiv Ratan Sharma CFO	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0.13	1.04	2.15	6.67	9.99
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4	Commission as % of profit others, specify	Nil	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total	0.13	1.04	2.15	6.67	9.99

** Mr.Harshit Attar has resigned on April 17, 2018

*** Mr.Saied Mohammad has been appointed on May 30, 2018 and resigned on September 6, 2018

**** Ms.Neetu Sharma has been appointed on October 12, 2018

VII 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

BRIEF OUTLINE OF THE COMPANY'S CSR POLICY

[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]

1. 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.

2. The composition of the CSR Committee in FY 2018-19

S. No.	Name	Designatio
1	Mr. Gauri Shankar Kandoi	Chairman
2	Mr. Manish Singhal	Member
3	Mr. Raj Kumar Agarwal**	Member
4	Mr. Pramod Kumar Agrarwal**	Member
5	Mr. Bridhi Chand Sharma**	Member

3. Average net profit of the company for last three financial years: Rs.1202.48 Lacs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 24.05 Lacs

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: Rs. 24.05 Lacs

(b) Total amount spent: Rs. 2.58 Lacs

(c) Amount unspent, if any: Rs. 21.47 Lacs

(d) Manner in which the amount spent during the Financial Year:

1	2	3	4	5	6	7
S. No.	CSR project or activity identified	Sector in which the project Covered	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget project or programme wise) (Rs.) in Lacs	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads (Rs.) in Lacs	Cumulative expenditure up to the reporting period (Rs.) in Lacs
1	Recharge Structure for RWH Work in Village, Tehsil Kothputli Dist. Jaipur, Rajsthan	Water Restructuring Work	At Goneda Village, Tehsil Kotputli, District Chaksu	2	2.58	2.58
			TOTAL	2	2.58	2.58



*** Mr. Rajkumar Agarwal resigned on 26.09.2018.

*** Mr. Pramod Agarwal appointed on 12.10.2018 and resigned on 26.02.2019.

*** Mr. Bridhi Chand Sharma appointed on 26.02.2019.

Reason for shortfall: The proposed plan included a project which shall continue for more than 2 years. It involves less expenses in the initial years but will increase with the progress of the project, the amount short spent during the year shall be spent in the following years

Certificate

It is hereby confirmed that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and policy of the Company.

We, Gauri Shankar Kandoi, Chairman of CSR Committee on behalf of CSR Committee, and Manish Singhal, Bridhi Chand Sharma Member of the committee, certify that the implementation and monitoring of CSR Policy, is in the compliance with CSR objectives and Policy of the company

**For and on behalf of the Board of Directors
K G Petrochem Limited**

Date : 14.08.2019

Place: Jaipur

Gauri Shanker Kandoi
Chairman & Managing Director
DIN : 00120330



ANNEXURE-V

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

Information on conservation of Energy, Technological absorption, Foreign Exchange earnings and outgo 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</p> <p>(i.) The step taken or impact on conservation of energy</p>	<p>The steps taken for conservation of energy:</p> <p>In line with the Company's commitment towards conservation of energy, the company continues with its efforts aimed at improving energy efficiency through improved operational and maintenance practices.</p>
	<p>The steps taken in this direction are as under:</p> <p>a) Energy conservation has been an important thrust area for the Company and is continuously monitored. The adoption of energy conservation measures has helped the Company in reduction of cost and reduced machine down-time.</p> <p>b) Energy conservation is an ongoing process and new areas are continuously identified and suitable investments are made, wherever necessary.</p> <p>c) Various on-going measures for conservation of energy include</p> <p>(i) use of energy efficient lighting and better use of natural lighting,</p> <p>(ii) reduction of energy loss, and</p> <p>(iii) Replacement of outdated energy intensive equipment.</p> <p>d) The Company has not specific Research and Development Department. However, the Company carries out research and development in several areas including material & process developments towards efficiency improvements, quality improvements, waste reduction etc. Apart from process improvements, the research and development also aims at finding equivalent substitutes of various inputs and packaging materials to have cost savings without compromising quality.</p>
	<p>The Company has derived benefits of product development, cost reduction and better quality as a result of the above efforts</p>
	<p>The research and development is an on-going exercise and suitable efforts will continue to be made in future.</p>



(ii) The steps taken by the company for utilizing alternate source of the energy.	Set up of Solor Plant having load capacity of 200 KVA
(B.) Technology Absorption	
(i) the efforts made towards technology absorption	Efforts are being made towards improvements
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	The benefits derived are:- a. Improved quality and productivity. b. Conservation of fuel & reduced emissions.
(iii) in case of imported technology(imported during the last three years reckoned from the beginning of the financial year) 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	NIL
(C) Foreign exchange earning & outgo	Foreign exchange earnings: Rs.19717.37 lacs Foreign exchange used :Rs. 191.36 lacs



ANNEXURE-VI
REPORT ON CORPORATE GOVERNANCE

In accordance with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at KG Petrochem Limited is as under:

I. Company's Philosophy on Corporate Governance Code:

Corporate governance at KGPL is a value-based framework to manage our Company affairs in a fair and transparent manner. As a responsible corporation, we use this framework to maintain accountability in all our affairs and employ democratic and open processes. We have evolved guidelines and best practices over the years to ensure timely and accurate disclosure of information regarding our financials, performance, leadership and governance 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.

II. Board of Directors

(a) Board composition and category of Directors

The Company's policy is to maintain optimum combination of Executive Directors, Non-Executive Directors and Independent Directors.

The company is managed and controlled through a professional body of Board of Directors. The strength of the Board of the Directors as on 31.03.2019 is Six, out of which three are Executive Director and three 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.

All the Independent Directors of the Company at the time of their first appointment to the Board and thereafter at the first meeting of the Board in every financial year give a declaration that they meet with the criteria of independence as provided under Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

The Composition of the Board of Directors in Financial Year 2018-19 is given below:-

Name of the Directors	Categories of Directors	No. of committee position in other companies		Number of shares held
		Chairman	Member	
Gauri Shanker Kandoi ** DIN : 00120330	Executive Director & Promoter	-	2	1428807
Manish Singhal DIN: 00120232	Executive Director & Promoter	-	-	1377625
Prity Singhal DIN:02664482	Executive Director	-	-	NIL
Ramesh Chand Maheshwari * DIN: 00091429 (Till 08.03.2019)	Executive Director	-	-	NIL
Kamlesh Sharma DIN: 00037588	Non Executive (Independent Director)	-	-	NIL
Raj Kumar Agarwal ** DIN: 00127215 (Till 26.09.2018)	Non Executive (Independent Director)	-	-	NIL
Rameshwar Pareek ** DIN: 00014224(Till 07.02.2019)	Non Executive (Independent Director)	2	1	NIL



Radhey Shyam Gemini ** DIN: 00108706 (Till 07.02.2019)	Non Executive (Independent Director)	-	-	NIL
Promod Agarwal *** DIN: 0108167 (From 12.10.2018 to 26.02.2019)	Additional Independent Director	-	-	NIL
Jai Prakash Khandelwal **** DIN: 08361188 (From 14.02.2019)	Additional Independent Director	-	-	NIL
Pawan Kumar Jain **** DIN: 08361188 (From 14.02.2019 to 26.02.2019)	Additional Independent Director	-	-	NIL
Bridhi Chand Sharma **** DIN: 08370330 (From 26.02.2019)	Additional Independent Director	-	-	NIL

Notes :

1. Directorships exclude Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.
2. Chairmanship/ Membership of Committee only includes Audit Committee and Stakeholders' Relationships Committee in Indian Public Limited companies other than KG Petrochem Limited. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairperson of more than five such Committees.
3. Mr. Gauri Shaker Kandoi, Mrs. Prity Singhal and Mr. Manish Singhal are related to each other.
4. Mr. Gauri Shanker Kandoi has resigned from Lawreshwar Polymers Ltd. on 31st January 2019.

(b) Board Meeting:

The Board of Directors of the Company met Seven times on 30.05.2018, 31.07.2018, 14.08.2018, 12.10.2018, 14.11.2018, 14.02.2019, and 26.02.2019 during the financial year ended 31st March, 2019. The maximum time gap between two meetings was not more than 120 days as mentioned in Section 173 of the Companies Act, 2013. Agenda papers were circulated to the Directors in advance for each meeting. All relevant information as required under Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 was placed before the Board from time to time. The attendance of each Director at these meetings and the last Annual General Meeting was as under:

S.No.	Name of the Director	Number of Board Meetings held during the		Attendance at last AGM held on 31.08.2018
		HELD	ATTENDED	
1	Shri Gauri Shanker Kandoi	7	7	YES
2	Shri Manish Singhal	7	6	YES
3	Smt. Prity Singhal	7	6	YES
4	Shri Ramesh Chand Maheshwari	7	6	YES
5	Shri Raj Kumar Agarwal	3	3	YES
6	Shri Rameshwar Pareek	5	5	YES
7	Shri Radheyshyam Gemini	5	5	YES
8	Shri Kamlesh Sharma	7	7	NO
9	Shri Pramod Agarwal	4	2	N.A.
10	Shri Jai Prakash Khandelwal	2	2	N.A.
10	Shri Pawan Kumar Jain	1	1	N.A.
11	Shri Bridhi Chand Sharma	1	1	N.A.



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 Divisions.
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 Mrs. Prity Singhal who has been longest in the office, is liable to retire by rotation as per Companies Act, 2013 at the 39th Annual general Meeting and being eligible, offer herself for re-appointment.

(c) Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing (Obligation and Disclosure Requirements) Regulation, 2015, a separate meeting of the Independent Directors of the Company was held on 01.02.2019 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties. The Independent Directors found the performance of Non-Independent Directors (including Chairman) and the Board as well as flow of information between the Management and the Board to be satisfactory. All independent directors were present in the meeting.

(d) 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 31.03.2019

(e) Evaluation of the Board's Performance

The Board has a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board based on the criteria laid down by Nomination and Remuneration Committee which included attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest, adherence to Code of Conduct and Business ethics, monitoring of regulatory compliance, risk assessment and review of Internal Control Systems etc.

III. AUDIT COMMITTEE:

(a) 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; The Chairman of the committee is an Independent Director, elected by the Members of the Committee. All members are Non-Executive and Independent Directors and each member have rich experience in financial sector.

Mr. Rameshwar Pareek, Chairman of the Audit Committee was present at the last Annual General Meeting.

Four meetings of the Audit Committee were held during the year viz. on May 30, 2018, August 14, 2018, November 14, 2018, and February 14, 2019 respectively. The composition of the Audit Committee and details of their attendance at the meetings are as follows:

S.No.	Name of the Director	Position	Category	No. of meetings
1	Mr. Rameshwar Pareek (till 07.02.2019)	Chairman	Non-Executive Independent Director	3
2	Mr. Jai Prakash Khandelwal (from 14.02.2019)	Chairman		1
3	Mr. Kamlesh Sharma	Member		4
4	Mr. Raj Kumar Agarwal (till 26.09.2018)	Member		2
5	Mr. Pramod Agarwal (from 12.10.2018 to 26.02.2019)	Member		2
6	Mr. Bridhi Chand Sharma (from 26.02.19)	Member		0



(b) Terms of reference: The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the Cost auditors, the performance of internal auditors and the Company's risk management policies. The terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 as well as Section 177 of the Companies Act, 2013.

(c) The Audit Committee invites CEO & Whole Time Director, Chief Financial Officer and Senior Executives of Accounts Department for each meeting, to provide inputs on issues relating to accounts, taxation, internal audit finding, internal controls, risk managements etc. 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.

IV. NOMINATION AND REMUNERATION COMMITTEE:-

(a) The Board has framed Nomination and Remuneration committee for set up and evaluates compensation and benefits for the directors & their relatives and frame policies and system thereof.

Three meetings of the Nomination and Remuneration Committee were held during the year viz. on April 17, 2018, July 31, 2018 and February 05, 2019 The composition of the Nomination and Remuneration Committee and details of their attendance at the meetings are as follows:

S.No.	Name of the Director	Position	Category	No. of meetings attended
1	Mr. Kamlesh Sharma	Chairman	Non-Executive Independent Director	3
2	Mr. Rameshwar Pareek (till 07.02.2019)	Member		3
3	Mr. Jai Praksh Khandelwal (from 14.02.2019)	Member		0
4	Mr. Raj Kumar Agarwal (till 26.09.2018)	Member		2
5	Mr. Pramod Agarwal (from 12.10.2018 to 26.02.2019)	Member		1
6	Mr. Bridhi Chand Sharma (from 26.02.2019)	Member		0

(b) Terms of reference: The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors and senior management based on their performance and defined assessment criteria. The Committee formulates the criteria for evaluation of the performance of Independent Directors & the Board of Directors; identifying the persons who are qualified to become directors, and who may be appointed in senior management and recommend to the Board their appointment and removal. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as section 178 of the Companies Act, 2013.

(c) Performance evaluation criteria for Independent Directors-

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Directors which are as under-



AREAS OF EVALUATION

1. Frequency of meetings attended
2. Timeliness of circulating Agenda for meetings and descriptiveness
3. Quality, quantity and timeliness of flow of information to the Board
4. Promptness with which Minutes of the meetings are drawn and circulated
5. Opportunity to discuss matters of critical importance, before decisions are made
6. Familiarity with the objects, operations and other functions of the company
7. Importance given to Internal Audit Reports, Management responses and steps towards improvement
8. Exercise of fiscal oversight and monitoring financial performance
9. Level of monitoring of Corporate Governance Regulations and compliance
10. Adherence to Code of Conduct and Business ethics by directors individually and collectively
11. Monitoring of Regulatory compliances and risk assessment
12. Review of Internal Control Systems
13. Performance of the Chairperson of the company including leadership qualities.
14. Performance of the Whole time Director
15. Overall performance of the Board/ Committees.

V. Remuneration of Directors

(a) Details of Remuneration to Directors: The Company has paid the following remuneration to Directors during the year under review, which is in accordance with the section 197 of the Companies Act, 2013.

(i) Non-Executive Directors:

The Board of Directors of the company decided that Non-Executive directors are not entitled to get any remuneration, sitting fee and stock options.

(ii) Whole Time Directors

Executive Director	Business relationship with the company, if any	Remuneration paid during 2018-19 (Rs. in lacs)		
		All elements of remuneration package i.e. salary, benefits, bonuses, pension etc.	Fixed component & performance linked incentives, along with performance criteria	Stock option details, if any
Shri G.S. Kandoi	Managing Director	96	0	0
Shri Manish Singhal	Whole Time Director	96	0	0
Smt. Prity Singhal	Whole Time Director	54	0	0
Shri Ramesh Chand Maheshwari	Whole Time Director	3.6	0	0

VI. STAKEHOLDERS RELATIONSHIP COMMITTEE

i. The Stakeholder Relationship Committee looks into shareholders' and investors' grievances. Mr. Raj Kumar Agarwal,

S.No.	Name of the Director	Position	Category	No. of meetings
1	Mr. Raj Kumar Agarwal(till 26.09.2018)	Chairman	Independent Director	1
2	Mr. Pramod Agarwal (from 12.10.2018 to 26.02.2019)	Chairman	Independent Director	0
3	Mr. Bridhi Chand Sharma (from 26.02.2019)	Chairman	Independent Director	0
4	Mr. Gauri Shanker Kandoi	Member	Executive Director	1
5	Mr. Manish Singhal	Member	Executive Director	1



iii. Number of investors' complaints received by the RTA/ Company during the year: Nil
 Number of complaints not solved to the satisfaction of shareholders during the year: Nil
 Number of complaints pending as at 31st March, 2019: Nil

Warning against Insider Trading

Comprehensive guidelines advising and cautioning the management, staff and other relevant business associates on the procedure to be followed while dealing with the securities of the company have been issued and implemented.

VII. CSR COMMITTEE

- i. The Board of Directors, last 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.
- ii. Two meeting of the CSR Committee was held during the year viz. on April 17, 2018 and July 31, 2018. The composition of the CSR Committee and details of their attendance at the meetings are as follows:

S.No.	Name of the Director	Position	Category	No. of meetings attended
1	Mr. Gauri Shanker Kandoi	Chairman	Managing Director	2
2	Mr. Manish Singhal	Member	Executive Director	2
3	Mr. Raj Kumar Agarwal (till 26.09.2018)	Member	Independent Director	2
4	Mr. Pramod Agarwal (from 12.10.2018 to 26.02.2019)	Member	Independent Director	0
5	Mr. Bridhi Chand Sharma (from 26.02.2019)	Member	Independent Director	0

VIII. FINANCE COMMITTEE:

- i. The Finance Committee looks into financial matters like opening and closing bank account, taking loan from bank and financial institutions, arrange finance for new projects, reschedule financial structure of the company etc.
- ii. Three meeting of the Finance Committee was held during the year viz. on September 26, 2018, November 19, 2018 and December 19, 2018. The composition of the Finance Committee and details of their attendance at the meetings are as follows:

S.No.	Name of the Director	Position	Category	No. of
1	Mr. Gauri Shanker Kandoi	Chairman	Managing Director	3
2	Mr. Manish Singhal	Member	Executive Director	3
3	Mr. Raj Kumar Agarwal (till 26.09.2018)	Member	Independent Director	1
4	Mr. Pramod Agarwal (from 12.10.2018 to 26.02.2019)	Member	Independent Director	2
5	Mr. Bridhi Chand Sharma (from 26.02.2019)	Member	Independent Director	0

- iii. 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.

IX. GENERAL BODY MEETINGS

The details of last three Annual General Meeting is as under



Year	Venue	Date	Time	Special
36th 2016	C-171, Road No. 9J, VKI Area, Jaipur- 302013 Rajasthan	26.09.2016	10:30 AM	Nil
37th 2017		21.09.2017	10:30 AM	Three
38th 2018	F-394(G), Road No 9F2, VKI Area, Jaipur	31.08.2018	10:30 AM	One

X. MEANS OF COMMUNICATION:

Quarterly, half-yearly and annual financial results are communicated to the Bombay Stock Exchange at Mumbai immediately after these are considered and approved by the Board; and thereafter regularly published in the prominent newspapers like Financial Express and Business Remedies, etc. as required and also posted on our website: www.kgpetro.in.

XI GENERAL SHAREHOLDERS' INFORMATION

(i) Annual General Meeting to be held:

Day : Monday
 Date : 09.09.2019
 Time : 11.00 A.M.
 Venue : F-394(G), ROAD NO. 9F2, VKI AREA, JAIPUR - 302013 RAJASTHAN

(ii) Financial Year : 1st April, 2018 to 31st March, 2019

(iii) Stock Exchanges on which the Company's Shares are listed:

The Bombay Stock Exchange,
 Phiroze Jeejee bhoy Towers,
 Dalal Street, Fort, Mumbai – 400 001
 The Listing Fees as applicable have been paid within prescribed time period.

(iv) Stock Code:

ISIN under depository system	INE902G01016
The Stock Exchange, Mumbai	531609

(v) Market Price Data: High/Low during each month during the financial year 2018-2019:

The details of Monthly High and Low price(s) on the Stock Exchange, Mumbai, for the Financial Year 2018-2019 are as under:

Month	Monthly High	Monthly Low	Monthly Volume	BSE SENSEX Monthly High	BSE SENSEX Monthly Low
April, 2018	112.00	86.70	1444	35213.30	32972.56
May, 2018	105.00	86.00	1892	35993.53	34302.89
June, 2018	109.60	90.30	4549	35877.41	34784.68
July, 2018	112.90	96.55	607	37644.59	35106.57
August, 2018	112.00	83.90	3850	38989.65	37128.99
September, 2018	93.60	72.15	3359	38934.35	35985.63
October, 2018	91.50	68.65	6505	36616.64	33291.58
November, 2018	84.90	60.45	3119	36389.22	34303.38
December, 2018	77.00	66.60	104	36554.99	34426.29
January, 2019	101.85	77.00	261	36701.03	35375.51



February, 2019	101.60	67.80	780	37172.18	35287.16
March, 2019	87.45	65.00	1001	38748.54	35926.94

vi) Registrar & Share Transfer Agent:

Niche Technologies Pvt. Ltd. 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkatta-700001

(vii) Share Transfer System:

In order to expedite the process of share transfers, the Board has delegated the power to approve share transfers to senior executives, who attend to share transfer formalities fortnightly. The Company has appointed Niche Technologies Private Limited as Registrar and Share Transfer Agents for physical transfer of securities as well as dematerialization/ re-materialization of securities.

(viii) Distribution of Shareholding as on March 31, 2019:

No. of equity shares	Number	% to Total	Total	% of Total Shares
Up to 500	342	72.92	54888	1.05
501 to 1000	82	17.48	70618	1.35
1001 to 5000	28	5.97	48665	0.93
5001 to 10001	1	0.21	5600	0.11
10001 to 50000	5	1.07	88116	1.69
50001 to 100000	1	0.21	52600	1.01
100001 to above	10	2.13	4900513	93.86
Total	469	100.00	5221000	100.00

(ix) Categories of Shareholding as on March 31, 2019:

Category	No. of Shares held	% of Shareholding
Indian Promoters, Directors & their	3897332	74.65
Foreign Promoters	Nil	Nil
UTI/Financial Institutions & Banks	Nil	Nil
Body Corporate	264203	5.06
NRI/ OCB/ Clearing House/ Public Trust	1130	0.022
Foreign Institutional Investors	Nil	Nil
Indian Public	1058335	20.27
Total	5221000	100

(x) Dematerialization of shares:

The Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to handle dematerialization of shares. As on March 31, 2019, a total of 5089050 equity shares which form 97.47% of the share capital stand dematerialized

(xi) Outstanding GDRs/ ADRs/ Warrants/ Convertible instruments

The Company has not issued Global Depository Receipts or American Depository Receipt or Warrants or any Convertible instruments.



(xii) Plant Location

- (a) Bhavik Terryfab (A Unit of KG Petrochem Ltd.), Plot no. SP-4/3, RIICO Industrial Area, Village Keswana, Teh. Kotputli, Jaipur-303108 Rajasthan
(b) Mantika Gartex (A Unit of KG Petrochem Ltd.), C-171, Road No. 9J, VKI Area, Jaipur-302013 Rajasthan
(c) Ultra Polycoats (A Unit KG Petrochem Ltd.), Plot no. SP-4/3A, RIICO Industrial Area, Village Keswana, Teh. Kotputli, Jaipur-303108 Rajasthan

(xiii) Address for Correspondence:

- (a) For Transfer of physical shares, :Niche Technologies Pvt. Ltd.,
request for dematerialization of 3A, Auckland Place, 7th Floor,
shares, change of mandates/ Room No. 7A & 7B, Kolkatta-700001.
address or any other query

- (b) For any investor grievance : The Company Secretary
KG Petrochem Limited
C-171, Road No. 9J, V.K.I Area,
Jaipur-302013 Rajasthan (India)



ANNEXURE-VII

COMPLIANCE CERTIFICATE

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

We have examined the compliance of conditions of Corporate Governance by K G Petro Chem Limited ('the Company'), for the year ended on 31st March, 2019, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Bombay Stock Exchange Limited

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

for ARMS and Associates LLP
Company Secretaries
ICSI URN: P2011RJ023700

Place : Jaipur

sd/-

Date : 31.07.2019

(Sandeep Kumar Jain)

FCS 5398 C.P.No.4151



ANNEXURE-VIII

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC OVERVIEW

In 2018, the global economy began its journey on a firm footing with estimated global economic growth of 3.6% . During the second half of 2018, this rate of development gradually declined, owing to impending US-China trade dispute and some slowdown across developed markets Emerging and developing markets of Asia maintained their steady progress at 6.4% during 2018. However, it's important to note that India's economy expanded at 7.1% in 2018 vis-à-vis 6.7% in 2017.

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.
- iv) Technical Textiles - Manufacturing of Artificial leather through technical textile

SEGMENT ANALYSIS AND REVIEW

A. TEXTILE DIVISION:

Textile division of the Company has performed well. During the year, the division booked nominal growth in the export Turnover, over all revenue from operations has not substantial changes. The division also accelerates its growth in the export (FOB) turnover increased from Rs. 18,897.23 lacs to Rs. 19,717.37 lacs.

B. TECHNICAL TEXTILE:

During the year, its revenue from operation was Rs. 1,905.06 Lacs. During the year company has started production with the 1 coating line, Further plant and Machinery are expected to arrive by the end of July 2019 and expected to complete by the end of next FY.

C. AGENCY DIVISION:

During the year the agency division has sold HDPE/LLDPE Granules 20,635.05 Mt. amounting to Rs. 22,073.40 lacs in comparison of 23,367.50 Mt. amounting to Rs. 22,809.55 lacs and earned commission of Rs. 82.01 lacs as compared to last year Rs. 92.77 Lacs. The division has performed well during the year under review.

OPPORTUNITIES & THREATS



The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS), scheme is estimated to create employment for 35 lakh people and enable investments worth Rs 95,000 crore (US\$ 14.17 billion) by 2022. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

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 & CONCERNS

The Company is exposed to risk from market interest rates and increase of raw material prices, compliance risk, people risk, currency movements, change in Indian government policies and competition. The Company proactively manages these risks through forward booking and Inventory Management, proactive management of vendor development and relationships, and 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. Company's strategy of providing end-to-end solutions and innovative products, hedges significant portion of its export revenues expected for the following year, The Company continuously monitors govt policies and take measures to minimize any adverse impact and maintaining strong relationship with clients helps in reducing competitive risks. Rising of Rupees against USD will be a big loss to the company along with few changes made in GST regime

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.



ANNEXURE-IX

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2019

[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,
KG Petrochem Limited
C-171, Road No. 9J, VKI Area, Jaipur-302013, Rajasthan

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s KG Petrochem Ltd.(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 KG Petrochem Ltd. 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, 2017 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 KG Petrochem Limited ("The Company") for the financial year ended on 31st March, 2017 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 to the Company during the Audit Period)(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 to the Company during the Audit Period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period)



- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with 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;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period)
- (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) 2015
- (vi) As confirmed by the management, there are no sector specific laws that are applicable specifically to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (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.

Date: 31th July, 2019

**for ARMS and Associates LLP
Company Secretaries
ICSI URN: P2011RJ023700**

Place: JAIPUR

(CS 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,
KG Petrochem Limited
C-171, Road No. 9J, VKI Area, Jaipur-302013, Rajasthan**

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.

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.

Date : 31st July 2019

For ARMS and Associates LLP
Company Secretaries

Place: JAIPUR

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KG PETROCHEM LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of KG Petrochem Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and Total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note No. 6C of the financial statements, which describes the change in accounting policy regarding Factory Land and Building from the cost model to the revaluation model during the current F.Y. 2018-19. The said change in accounting policy has resulted in increase in the book value of Land and Building by Rs. 44.98 Crore. Our opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



S.No.	Key Audit Matter	Auditor's response
1	Capitalization of CWIP and assets of Ultra Division during the current year.	<p>The Ultra Division of the commenced its operations during the current F.Y., as a result of which CWIP has been capitalized as assets during the year. Also new assets have been purchased.</p> <p>We have evaluated the design and operating effectiveness of Internal Control for the purpose of Capitalization of Assets.</p> <p>We have applied substantive audit procedures in verifying the CWIP and assets capitalized along with their incidental and ancillary costs.</p>

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books



- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- (h) 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. The Company does not have any pending litigations which would impact its financial position.
 - 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.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements, on the basis of information available with the Company. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

For R Sogani & Associates
Chartered Accountants
FRN: 018755C

(Bharat Sonkhiya)

Partner

Membership No: 403023

Place : Jaipur

Date : 30 May 2019



ANNEXURE - A REFERRED TO IN THE AUDITOR'S REPORT ON THE ACCOUNTS OF KG PETROCHEM LIMITED FOR THE YEAR ENDING 31st MARCH, 2019

As required by the Companies (Auditor's report) Order, 2016 issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013, we report that:

- 1) In respect of fixed assets:
 - (a) According to information and explanation given to us, fixed asset register of the Company has been properly maintained. However, the same is in the process of updation.
 - (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.
 - (c) According to information and explanation given to us, title deeds of immovable properties are held in the name of the Company.
- 2) 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.
 - (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) According to information and explanation given to us, all discrepancies have been rectified by the Company and accordingly considered in books of accounts.
- 3) In respect of loans:

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.
- 4) As per information and explanations provided to us, in respect of loans, investments and guarantees, provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
- 5) 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.
- 6) In respect of cost records:

We have been explained that the maintenance of cost records has not been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 for the period under review for any of the products.
- 7) In respect of statutory dues:
 - (a) The Company is generally regular in depositing with the appropriate authorities 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, as recorded in books of accounts, applicable to it.

Further no undisputed amounts payable in respect thereof were outstanding at the year end for a period 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, Custom duty and Excise Duty and Goods and Service Tax which have not been deposited on account of any dispute except the following:

Nature of Dispute	Amount (In Rs.)	Period to which the amount relates	Forum where dispute is pending
Civil Suit against the company	13,75,622/- with interest	F.Y. 2009 -10	Bombay High Court

- 8) In respect of repayment of dues:

As per information and explanation given to us, the company has not defaulted in repayment of any amount to a financial institution or bank or debenture holders.

- 9) In our opinion, and according to the information and explanation given to us, term loans have been applied for the purposes for which they were obtained.

- 10) According to the information and explanations provided to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

- 11) In respect of managerial remuneration:

According to the information and explanations given to us we report that managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.

- 12) In respect of Nidhi Company:

The Company is not a Nidhi Company. Therefore this clause is not applicable to the Company.

- 13) In respect of related parties:

All transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.

- 14) In respect of preferential allotment / private placement of shares:

The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.

- 15) In respect of Non-cash transactions with directors:

The Company has not entered into any non-cash transactions with directors or persons connected with him.

- 16) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For R Sogani & Associates
Chartered Accountants
FRN: 018755C

(Bharat Sonkhiya)
Partner

Membership No: 403023

Place : Jaipur
Date :30.05.2019



ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KG PETROCHEM LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of KG Petrochem Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



statements for external purposes in accordance with generally accepted accounting principles.

A Company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, judging by the nature and quantum of transactions appearing in the financial statements, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R Sogani & Associates
Chartered Accountants
FRN: 018755C
(Bharat Sonkhiya)
Partner
M. No: 403023

Place : Jaipur
Date : 30.05.2019

**KG PETROCHEM LIMITED, JAIPUR**

CIN: L24117RJ1980PLC001999

Registered Office: C-171, Road No. 9J, VKI Area, Jaipur-302013

Corporate Office: F-394(G), Road No 9F-2, VKI Area, Jaipur-302013

BALANCE SHEET AS AT 31ST MARCH, 2019

(Amount in Lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	7A	14,543.60	7,145.24
(b) Capital work-in-progress	7B	1,122.08	3,272.45
(c) Financial Assets			
(i) Others Financial Assets	8	220.73	85.06
(d) Other Non Current Assets	9	15.98	19.65
Current assets			
(a) Inventories	10	5,931.94	2,792.50
(b) Financial Assets			
(i) Trade Receivables	11	7,257.91	7,342.88
(ii) Cash and Cash Equivalents	12	55.96	16.83
(iii) Others Current Financial Assets	13	8.29	31.29
(c) Other Current Assets	14	2,524.54	2,164.49
Total Assets		31,681.03	22,870.39
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	15	581.53	581.53
(b) Other Equity	16	10,711.08	5,342.75
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	6,576.67	6,061.42
(b) Deferred Tax Liabilities (Net)	18	564.61	362.89
(c) Other Non Current Liabilities	19	866.94	818.27
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	5,261.82	5,360.74
(ii) Trade Payables	21	3,672.95	1,397.33
(iii) Other Financial Liabilities	22	2,866.50	2,332.89
(b) Other Current Liabilities	23	151.13	175.82
(c) Provisions	24	222.37	214.75
(d) Current Tax Liabilities (Net)	25	205.42	222.00
Total Equity and Liabilities		31,681.03	22,870.39

Significant accounting policies & Notes to
Standalone Financial Statements

1 to 55

In terms of our separate Audit Report of even date

For & on behalf of the Board

FOR R SOGANI & ASSOCIATESChartered Accountants
FRN: 018755C**(BHARAT SONKHIYA)**Partner
M. No. 403023Place : JAIPUR
Dated: 30.05.2019**FOR K G PETROCHEM LTD.****(G. S. KANDOI)**Chairman Cum Managing Director
DIN: 00120330**(NEETU SHARMA)**Company Secretary
M.No. A41122**(MANISH SINGHAL)**Director
DIN: 00120232**(SHIV RATAN SHARMA)**

CFO



KG PETROCHEM LIMITED, JAIPUR

CIN: L24117RJ1980PLC001999

Registered Office: C-171, Road No. 9J, VKI Area, Jaipur-302013

Corporate Office: F-394(G), Road No 9F-2, VKI Area, Jaipur-302013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

(Amount in Lakhs)

Particulars	Note No.	For the period ended 31.03.2019	For the period ended 31.03.2018
I Revenue From Operations	26	24,907.43	22,727.38
II Other Income	27	758.26	630.09
III Total Income (I+II)		25,665.69	23,357.47
IV EXPENSES			
Cost of Material Consumed	28	13,899.55	11,017.07
Changes in inventory of finished goods	29	(2,196.57)	439.26
Manufacturing expense	30	6,390.46	5,094.38
Employee benefits expense	31	2,390.41	2,319.65
Finance costs	32	677.70	521.07
Depreciation and amortization expense	7	1,704.77	1,554.80
Other expenses	33	1,274.38	1,431.23
Total expenses (IV)		24,140.71	22,377.46
V Profit/(loss) before exceptional items and tax (I- IV)		1,524.98	980.01
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		1,524.98	980.01
VIII Tax expense:			
(1) Current tax		360.00	500.00
(2) Tax of earlier year	34	93.71	14.90
(3) Deferred tax		201.72	(316.38)
IX Profit (Loss) for the period from continuing operations (VII-VIII)		869.55	781.49
X Profit/(loss) for the period		869.55	781.49
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		4,498.76	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XII Total Comprehensive Income for the period (X+XI)(Comprising Profit(Loss) and Other Comprehensive Income for the period)		5,368.31	781.49
Earnings per equity share (After exceptional items)			
XIII Basic		16.65	14.97
Diluted		16.65	14.97

In terms of our separate Audit Report of even date

FOR R SOGANI & ASSOCIATES

Chartered Accountants

FRN: 018755C

(BHARAT SONKHIYA)

Partner

M. No. 403023

Place : JAIPUR

Dated: 30.05.2019

For & on behalf of the Board

FOR K G PETROCHEM LTD.

(G. S. KANDOI)

Chairman Cum Managing Director

DIN: 00120330

(NEETU SHARMA)

Company Secretary

M.No. A41122

(MANISH SINGHAL)

Director

DIN: 00120232

(SHIV RATAN SHARMA)

CFO



KG PETROCHEM LIMITED, JAIPUR
CIN: L24117RJ1980PLC001999
Registered Office: C-171, Road No. 9J, VKI Area, Jaipur-302013
Corporate Office: F-394(G), Road No 9F-2, VKI Area, Jaipur-302013
STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(Amount in Lakhs)

Balance at the beginning of the reporting period	Changes in equity share capital during the Current Year	Balance at the end of the reporting period
581.53	-	581.53

B. Other Equity

(Amount in Lakhs)

Particulars	Reserves and Surplus			other comprehensive income	Total
	Revaluation Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as at April 1,2017	-	36.47	4,477.92	-	4,514.38
Profit for the year	-	-	781.49	-	781.49
Transferred during the year	-	-	46.89	-	46.89
Balance as at March 31, 2018	-	36.47	5,306.30	-	5,342.75
Balance as at 1st April, 2018	-	36.47	5,306.30	-	5,342.75
Profit for the year	-	-	869.55	-	869.55
Addition during the year	4,498.76	16.25	-	-	4,515.01
Transferred during the year	(16.25)	-	-	-	(16.25)
Balance as at March 31, 2019	4,482.51	52.72	6,175.85	-	10,711.08

In terms of our separate Audit Report of even date

For & on behalf of the Board

FOR R SOGANI & ASSOCIATES

Chartered Accountants
FRN: 018755C

FOR K G PETROCHEM LTD.

(BHARAT SONKHIYA)

Partner
M. No. 403023

(G. S. KANDOI)

Chairman Cum Managing Director
DIN: 00120330

(MANISH SINGHAL)

Director
DIN: 00120232

(NEETU SHARMA)

Company Secretary
M.No. A41122

(SHIV RATAN SHARMA)

CFO

Place : JAIPUR

Dated: 30.05.2019



KG PETROCHEM LIMITED

CIN: L24117RJ1980PLC001999

Registered Office: C-171, Road No. 9J, VKI Area, Jaipur-302013

Corporate Office: F-394(G), Road No 9F-2, VKI Area, Jaipur-302013

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2019

(Amount in Lakhs)

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	2018-19		2017-18	
	DETAILS	AMOUNT	DETAILS	AMOUNT
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before exceptional and tax as Statement Profit & Loss (Increase in Reserves)	1,524.98		980.01	
<u>Adjusted for :-</u>				
Transfer from Reserves	-		46.89	
Finance Cost	677.70		521.07	
Interest received	(171.28)		(163.49)	
Reversal of Gain on Fair Valuation of Forward Contract	-		-	
Loss/(Profit) on Sale/written off of Fixed Assets	-		-	
Depreciation	1,704.77		1,554.80	
Operating Profit before Working Capital Changes	3,736.17		2,939.28	
<u>Adjusted for:-</u>				
Increase /(Decrease) in Trade Payables	2,275.62		192.60	
Increase /(Decrease) in Borrowings	(98.92)		175.52	
Increase /(Decrease) in Other financial liabilities	533.61		432.96	
Increase /(Decrease) in Other current liabilities	(24.69)		(51.28)	
Increase /(Decrease) in Other Non-current liabilities	48.67		342.68	
Increase /(Decrease) in Provisions (except IT)	7.62		(53.74)	
Increase /(Decrease) in Current Tax Liabilities (Net)	(222.00)		(54.79)	
(Increase)/Decrease in Inventory	(3,139.44)		858.76	
(Increase)/Decrease in Trade receivables	84.97		(1,434.26)	
(Increase)/Decrease in Others current financial assets	23.00		47.56	
(Increase)/Decrease in Other current assets	(360.05)		(726.77)	
(Increase) / Decrease in Non current Financial Assets	(135.66)		31.58	
(Increase) / Decrease in Non current Assets	3.67		(1.95)	
Cash Generated From Operations	2,732.56		2,698.15	
Net Cash used in Operating Activities Before Extraordinary Items	2,732.56		2,698.15	
Cash Generated From Operations	2,732.56		2,698.15	
Less:- Taxes Paid	(248.29)		(278.00)	
Net Cash Flow/(used)From Operating Activities		2,484.27		2,420.15
B) CASH FLOW FROM INVESTING ACTIVITIES				
(Increase) / Decrease in Long Term Loans & Advances				
Purchase of Fixed Assets	(1,331.91)		(302.25)	
(Increase)/decrease to CWIP	(1,122.08)		(3,197.86)	
Proceeds From Sales/written off of Fixed Assets	-		-	
Interest received	171.28		163.49	
Net Cash Flow/(used) in Investing Activities		(2,282.69)		(3,336.62)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Procurement of Borrowings	515.25		946.88	
Repayment of Borrowings			-	
Capital Subsidy under TUF			-	
Interest paid	(677.70)		(521.07)	
Net Cash Flow/(used) From Financing Activities		(162.46)		425.81
Net Increase/(Decrease) in Cash and Cash Equivalent		39.13		(490.66)
Opening balance of Cash and Cash Equivalent		16.83		507.47
Closing balance of Cash and Cash Equivalent		55.96		16.83

**Notes:**

1 Cash and Cash Equivalent consists of following:-

	Rs.	Rs.
Cash on hand	7.68	3.06
Balances with Banks	48.28	13.76
Closing balance of Cash and Cash Equivalent	<u>55.96</u>	<u>16.83</u>

2 Cash Flow has been prepared under indirect method as set out in IND AS-7

3 Previous Year's figures have been recasted/regrouped, wherever necessary, to confirm to the current years'

4 Changes in liabilities arising from financing activities

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Current	Non Current (including current maturities)	Current	Non Current (including current maturities)
Opening Balance	5,360.74	7,136.53	5,185.22	6,189.66
Cash Flows (Net)	(100.29)	536.58	175.52	946.87
Foreign Exchange Difference	-	-	-	-
Closing Balance	5,260.45	7,673.11	5,360.74	7,136.53

In terms of our separate Audit Report of even date

For & on behalf of the Board

FOR R SOGANI & ASSOCIATES

Chartered Accountants

FRN: 018755C

FOR K G 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: 30.05.2019****(NEETU SHARMA)**

Company Secretary

M.No. A41122

(SHIV RATAN SHARMA)

CFO



1 COMPANY OVERVIEW

KG Petrochem Limited is a listed company incorporated on 29.2.1980 under Companies Act, 1956 .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. The registered office of the Company is located at C-171,ROAD NO.9J, V.K.I.AREA, JAIPUR RJ 302013.

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, readymade garment like bathrobes, babyhood towels, pillows 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) Technical Textile Division : Manufacturing of artificial leather through technical textile

SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES

2 BASIS OF PREPARATION

- 2.1 Ministry of corporate affairs has notified roadmap to implement IND AS notified under Companies (Indian Accounting Standard) Rules 2015 as amended by the Companies (Indian Accounting Standard) Rules 2016. And according to the said roadmap the company is required to apply IND AS in preparation of financial statement from the financial year beginning from 1st April 2017.
- 2.2 The significant accounting policies used in preparing the financial statements are set out in Notes to the Standalone Financial Statements.
- 2.3 The preparation of the financial statements requires management to make estimates, judgements and assumptions. Actual results could vary from these estimates. The estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Notes on critical accounting estimates, assumptions and judgements). The management believes that the estimates used in preparation of the financial statements are prudent and reasonable.
- 2.4 Amounts in these financial statements have, unless otherwise indicated, have been rounded off to 'rupees in lakhs 'upto two decimal points.

3 STATEMENT OF COMPLIANCE

The financial statements comprising of the Balance Sheet, Statement of Profit and Loss, Statement of changes in equity, Statement of Cash Flow together with notes comprising a summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2019 and comparative information in respect of the preceding period have been prepared in all material aspects in accordance with IND AS as notified and duly approved by the Board of Directors and audit committee, along with proper explanation for material departures.

4 ACCOUNTING POLICIES

4.1 Basis of Measurement

The standalone financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- a Financial assets and liabilities except certain those carried at amortised cost
- b Assets held for sale – measured at carrying amount or fair value less cost of disposal, whichever is less
- c Defined benefit plans – Plan assets measured at fair value



The standalone financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency.

4.2 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

- (a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- (b) Held primarily for the purpose of trading,
- (c) Expected to be realised within twelve months after the reporting period, or
- (d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current

A liability is classified as current when it is:

- (a) Expected to be settled in normal operating cycle,
- (b) Held primarily for the purpose of trading,
- (c) Due to be settled within twelve months after the reporting period, or
- (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4.3 Inventories

a Finished goods:

Finished goods are valued at lower of cost or net realisable value. Cost includes direct materials and labour and a portion of manufacturing overhead based on normal operating capacity. 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. Finished Goods are measured at average cost.

b WIP and Stores & Spares:

Raw materials, components, stores and spares and work-in progress are valued at cost. 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. Cost of Work in Progress is measured at Weighted average Basis.

Capital spares that qualifies the criteria of property, plant and equipment are recognised as PPE. Accordingly the company has capitalized spares having useful life of more than 12 months and corresponding depreciation is charged on them.

4.4 Statement of cash flows

Cash flows are reported using the method as prescribed in IND AS 7 'Statement of Cash flows', 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.

4.5 Prior period Errors

- a Prior period errors include omissions and misstatements arising from a failure to use reliable information that was available or could have been obtained when financial statements for those periods were approved for issue.
- b Prior period errors relating to the last comparative period will be shown by restating the comparative figures of Balance sheet and Profit and loss, wherever necessary. Thus, it will be disclosed in the comparative financial statements as if the error had not even occurred.

And if the error relates to earlier financial years(FY 16-17 or before), then it will be adjusted from the asset/liability and retained earnings of the last comparative period shown(FY 17-18).

4.6 Revenue recognition and other income

a Revenue on sale of products

- ! The Company recognise revenues on accrual basis and measured it at the fair value of the consideration received or receivable, net of discounts, volume rebates, GST.
- ! Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.
- ! 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.
- ! No significant financing component exists in the sales.
- ! Other operating revenue - Export incentives under various schemes are accounted in the year of export.
- ! GST Returns Includes Sales by KGPL- Agency Division as a consignment stockist to customers and purchase from GAIL/BCPL, while commission income is reflected in the financial statements as per the accounting policy.

Other income

a Interest

- ! Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

b Dividend

Dividend income is recognized when the right to receive dividend is established.

4.7 Property, Plant and Equipment

Property, plant and equipment are tangible items that:

- (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- (b) are expected to be used during more than one period.

Items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

Initial recognition: The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost. The initial cost of



property, plant and equipment comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenses and recognition: Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized. Subsequently Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement. PPE costing up to Rs 5,000 each are fully depreciated in the year of purchase/installation.

Depreciation: Property, Plant and Equipments except free hold land is depreciated on Straight Line Method in the manner prescribed in Schedule II to the Companies Act, 2013.

Useful life considered for calculation of depreciation for various assets class are as follows:

Asset Class	Useful Life
Staff & Labour Quarters	60 years
Factory building	30 years
Plant & Machinery	15 years
Weighing Scale	15 years
Misc. Asset	5 years
Lab Equipment	10 years
Elec & Water Fitting	10 years
DG Set	15 years
Weighbridge	15 years
Furniture & Fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computer	3 years
IT Equipments	6 years
Office Building	60 years
Canteen Appliances	5 years
Stores & Spares	3 years

Based on independent technical evaluation, the useful life of E.T.P is estimated shorter than prescribed in Schedule II of Companies Act, 2013, which is as under:

Name of Assets	Life Taken
Other Machinery in ETP/Water Tank	5 years

Gain/loss on disposal: The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

Component accounting: When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major components) and are depreciated over the useful life respectively.

Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-progress.

Capital work in progress

The expenses relating to the construction of building is capitalised at the time when they are incurred. And when the asset would be completed, the same shall be transferred to asset a/c.

In case of Plant and Machinery, the amount of CWIP shall be transferred to asset a/ c at the time when the plant would be used for production.

4.8 Lease Operating Lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the relevant lease term other than where the rentals are structured solely to increase in line with expected general inflation to compensate for the increase in lessor's expected inflationary cost, such increase is recognised in the year in which such benefits accrue. In the event that lease premiums are paid to enter into operating leases, such premiums are recognised as a prepaid expenditure and amortised over the period of lease.

Finance Lease

Lease arrangements under which the lessor transfers substantially all the risks and rewards incidental to the ownership to lessee are treated as Finance Lease.

As per IND AS 17, the company has recognised the leasehold land as Finance Lease and accordingly shown it under the head Property Plant and Equipment and amortised over the lease period. The company has recognised its leasehold land as finance lease and accordingly shown the land under the head of Property Plant and equipment and the amortised it during the remaining lease period.

On March 30, 2019, ministry of corporate affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 16 substantially carries forward the lessor accounting requirements in Ind AS 17. On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116 and take the cumulative adjustment to retained earnings on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company as elected certain available practical expedients on transition.

4.9 Foreign Currency Transaction

- a. Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of transaction.
- b. Monetary items denominated in foreign currency at the year end and not covered by forward exchange contracts are translated at the year end spot rates and those covered by forward contracts are restated at each reporting date by using forward rate for remaining period prevailing on the reporting date and exchange rate difference was booked. The Exchange rate difference on Forward Contract was charged to Statement of Profit & Loss, since Fair Value Model has been adopted by the Comapany.

4.10 Government Grants

Government grants related to assets are presented in balance sheet by setting up the grant as deferred income under Non Current Liability and the same is recognised in statement of profit and loss on a systematic basis.

Export incentive under "Duty Drawback Scheme" is accounted in the year of export at FOB value.

The Company is eligible for MEIS Scheme. Income under MEIS scheme is accounted on accrual basis. Government grant related to revenue is deducted in reporting the related expenses. During the year the Company has received interest subsidy under TUF Scheme, Customized Package Scheme and Interest Subvention which is deducted from expenses.

The Company had received Terminal Excise Duty refund before 2018-19 which is recognised as other non current liabilities in the balance sheet and the same is recognised in statement of profit and loss on a systematic basis, since it has been treated as grant related to asset. All Government grants are recognised on accrual basis.

Government Grant related to EPCG is recorded in the books at the time of import in accordance with IND AS -20 and same is amortised in the books of accounts in the ratio of depreciation charged on the respective asset as per IND AS 16.

4.11 Employee retirement benefits

a. 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.

b. 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 trust. Eligible employees receive benefits from a provident fund which is a defined contribution plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.
(b) **Defined Benefit Plan and Other Long Term Benefits:** Retirement benefits in the form of gratuity is determined on the basis of an actuarial valuation using the projected unit credit method as at Balance Sheet date.

Other long term benefits in the form of leave encashment is provided based on the percentages notified by Government guidelines.

c. The cost of providing Gratuity, a Defined Benefit plan, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by an independent actuarial valuer at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income in the period in which they arise. Other costs are accounted in statement of profit and loss.

4.12 Borrowing Cost

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized for Rs.25.43 Lacs 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.

4.13 Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year,

except where the result would be anti-dilutive.

4.14 Impairment of assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset exceeds its recoverable amount (i.e. the higher of the fair value less cost to sell and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. Any impairment gain loss is transferred to statement of profit and loss.

4.15 Provisions and contingencies

a Provisions

- ! Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- ! If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate.
- ! Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

b Contingencies

- ! Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liabilities is disclosed in the Notes to the Financial Statements.
- ! Contingent assets are not recognised in the books of the accounts but are disclosed in Board Report. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset and the corresponding income is booked in the Statement of Profit and Loss.

4.16 Taxation

- ! Income tax expense represents the sum of Current Tax and Deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in Equity or Other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income.
- ! Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the Income Tax Act 1961. Current tax assets and current tax liabilities are off set and presented as net.
- ! Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

4.17 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank, deposits held at call with banks, Fixed Deposits. For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash

and short term deposits, having maturity less than 3 months

- 4.18 Financial instruments – initial recognition, subsequent measurement and impairment** A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

a Financial Assets

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on the judgment of the management for managing those financial assets and the assets' contractual cash flow characteristics.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes, financial assets are assessed individually.

De-recognition of financial Asset

A financial asset is primarily derecognised (i.e. removed from the balance sheet) when:

- ! The rights to receive cash flows from the asset have expired, or
- ! The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

Impairment of financial assets (other than fair value)

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

Trade receivables:

- ! A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less expected credit loss if any.
- ! Impairment is made for the expected credit losses. The estimated impairment losses are presented as a deduction from the value of trade receivables and the impairment losses are recognised in the Statement of Profit and Loss under "Other expenses".
- ! Subsequent changes in assessment of impairment are recognised in ECL and the change in impairment losses are recognised in the Statement of Profit and Loss under "Other Expenses".

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivables and the amount of the loss is recognised in the Statement of Profit and Loss under "Other Expenses". Subsequent recoveries of amounts previously written off are credited to "Other

Income".

b Financial liabilities

At initial recognition, all financial liabilities other than those valued at fair value through profit and loss are recognised at fair value less transaction costs that are directly related to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss are expensed in profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss.

Financial liabilities measured at amortised cost

After initial recognition, interest free Security Deposits and other financial liabilities are valued at Amortised cost using Effective Interest Rate method (EIR Method). The EIR amortisation is included in finance costs in the Statement of Profit and Loss. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid is recognised in profit or loss as "Other Income" or "Finance Expense".

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

4.19 Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognized in the Statement of Profit and Loss. On classification as held for sale the assets are no longer depreciated.

4.20 Segment reporting

The Company identifies primary segments based on nature of products and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the managing board in deciding how to allocate resources and in assessing performance.

5 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The estimates and judgements used in the preparation of the financial statements are continuously

evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectation of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events that existed as at the reporting date, or that which occurred after the date but provide additional evidence about the conditions existing at the reporting date.

a **Property, plant and equipment**

Management assesses the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

b **Income taxes**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities.

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

c **Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

d **Impairment of accounts receivable and advances**

Trade receivables carry interest and are stated at their fair value as reduced by appropriate allowances for expected credit losses. Individual trade receivables are written off when management deems them not to be collectible. Impairment is recognised for the expected credit losses.

e **Employee benefit expenses**

Actuarial valuation for gratuity, liability of the Company has been done by LIC on the basis of data provided by the management and assumptions used by the LIC. The data so provided and the assumptions used have been disclosed in the notes to accounts.

f **Capital spares**

Only those capital spares whose have a useful life of more than one year and their cost exceeds Rs. 25,000 have been considered for the purpose of capitalization under property, plant & equipment in the books of account. Further, all such spares are assumed to have a useful life of 36 months.

g **Discounting of Security deposit, and other long term liabilities**

For majority of the security deposits received, the timing of outflow, as mentioned in the underlying contracts, is not substantially long enough to discount. The treatment would not provide any meaningful information and would have no material impact on the financial statements.

Revaluation Property, Plant & Equipment --- Note - 6

The Company has during the Current F.Y. i.e. F.Y. 2018-19 changed the accounting policy of the following Factory Land and Building. The valuation of the said Land and Building was done on 18.01.2019 and the entries for revaluation has been entered as on 22.01.2019

S.No.	Location	Unit	Valued by	(Amount in Lakhs)			
				WDV (as per Cost Model)		WDV (as per Revaluation Model)	
			Land	Building	Land	Building	
1	C-171, Road no 9J, VKI Area Jaipur	Mantika Gartex	M/s Ganapati Laxmi Valuers & Co.	1.76	37.07	1,027.75	190.33
2	SP-4-3, RIICO Industrial Area, Keshwana, Kotputli	Bhavik Terryfab	M/s Ganapati Laxmi Valuers & Co.	62.78	1,389.17	1,978.58	1,928.94
3	SP-4-3(A), RIICO Industrial Area, Keshwana, Kotputli	Ultra Polycoats	M/s Ganapati Laxmi Valuers & Co.	271.04	1,173.32	1,067.45	1,173.32
4	SP-3-5(B), RIICO Industrial Area, Keshwana, Kotputli	Anusha Techfab	Not revalued by independent valuer. The rates used in the above lands has been used to revalue this land	243.42	6.56	297.35	6.56

1. The accounting policy of staff Building has not been changed and the same has been shown at the cost model.
2. Also, the Construction of Building of Ultra Division has been recently completed and the same has not been revalued.
3. The revaluation of Building of Anusha Division has not been revalued due to under construction.

Statement showing changes in Revaluation reserve		(Amount in Lakhs)
Particulars	Revaluation reserve	General Reserve
Balance as at 1st April, 2018	-	36.47
Addition during the year	4,498.76	16.25
Transferred during the year	(16.25)	-
Balance as at March 31, 2019	4,482.52	52.71





NOTE NO. 7A & 7B:- Property, Plant & Equipments												
-----GROSS BLOCK-----												
S.No.	Description	Opening balance As on 01.04.2018	Purchases / Additions during the year	Sales / Adjustments during the year	Total Cost As At 31.03.2019	Up to 31.03.2018	for the period	Written back	Reversed	Up to 31.03.2019	As At 31.03.2019	As At 31.03.2018
TANGIBLE ASSETS:												
1	Land- Leasehold	597.75	3,804.15	-	4,401.90	12.46	18.31	-	-	30.77	4,371.13	585.29
2	Factory Building	1,922.30	1,878.85	-	3,801.15	428.78	79.04	-	-	507.82	3,293.33	1,493.52
3	Staff & Labour Quarters	53.80	-	-	53.80	5.02	0.86	-	-	5.89	47.92	48.78
4	Plant & Machinery	12,856.75	2,907.10	-	15,763.85	8,451.00	1,370.63	-	-	9,821.64	5,942.21	4,405.74
5	Weighing Scale	0.88	10.73	-	11.62	0.69	0.45	-	-	1.14	10.48	0.20
6	Misc. Fixed Assets	224.73	10.13	-	234.86	159.99	30.54	-	-	190.52	44.34	64.74
7	Lab Equipment	22.27	27.42	-	49.69	14.37	3.10	-	-	17.47	32.21	7.90
8	Elect. & Water Fitting	374.54	89.83	-	464.37	221.66	36.97	-	-	258.63	205.74	152.87
9	DG Set	26.79	24.15	-	50.94	15.09	3.13	-	-	18.22	32.73	11.70
10	Weighbridge	12.36	-	-	12.36	6.46	0.99	-	-	7.45	4.91	5.91
11	Furniture & Fixtures	137.19	46.85	-	184.04	67.56	12.08	-	-	79.66	104.38	69.61
12	Vehicles	168.31	28.42	-	196.73	72.71	17.32	-	-	90.03	106.70	95.60
13	Office Equipment	48.08	5.94	-	54.02	25.16	6.60	-	-	31.76	22.26	22.92
14	Computer	54.87	3.81	-	58.68	42.77	5.34	-	-	48.11	10.57	12.11
14	IT Equipments	12.95	-	-	12.95	12.30	-	-	-	12.30	0.65	0.65
15	Office Building	8.21	-	-	8.21	1.63	0.13	-	-	1.76	6.44	6.57
16	Canteen Appliances	1.39	-	-	1.39	1.30	0.00	-	-	1.30	0.09	0.09
17	A.C. Equipments	1.21	-	-	1.21	1.10	-	-	-	1.10	0.11	0.11
18	Stores & Spares	248.43	265.74	-	514.17	87.49	119.27	-	-	206.76	307.40	160.94
TOTAL		16,772.79	9,103.12	-	25,875.93	9,627.56	1,704.77	-	-	11,332.32	14,543.60	7,145.24
PREVIOUS YEAR		16,470.55	302.24	-	16,772.79	8,072.77	1,554.80	-	-	9,627.57	7,145.24	8,397.79
CAPITAL WORK IN PROGRESS												
Gross Block												
DESCRIPTION OF ASSETS		As at 01.04.2018	Additions Expenses	Others	Capitalized during the year	As at 31.03.2019						
Capital Work in Progress Bhavik		-	1.46	456.40	-	457.86						
Capital Work in Progress ULTRA		3,272.45	8.53	655.44	3,272.45	663.97						
Capital Work in Progress ANUSHA		-	-	0.25	-	0.25						
Total		3,272.45	9.99	1,112.09	3,272.45	1,122.08						



8 Other Non-Current Financial Assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
Security Deposits	220.73	85.06
TOTAL	220.73	85.06

9 Other Non-current Assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
Prepaid Expenses (Prepaid Rent)	2.17	2.17
Unamortized Transaction fees	13.81	17.48
TOTAL	15.98	19.65

10 Inventories

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw Material	844.73	308.10
Work In process	3,427.44	1,061.22
Finished Goods		
Towel/Artificial Leather	666.55	840.44
Waste	5.51	1.26
Stores, Spares and Consumables	750.92	362.33
Dyes & Chemicals	195.90	205.11
Packing Material	40.90	14.04
TOTAL	5,931.94	2,792.50

(Refer Note 4.3 of accounting policy for valuation policy of inventories)

11 Trade Receivables

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade Receivables	7,257.91	7,342.88
Receivables from Related Parties	-	-
Less: Allowance for doubtful trade receivables	-	-
Total Receivables	7,257.91	7,342.88
Current portion	7,257.91	7,342.88
Non-current portion	-	-
Breakup of Security Details		
Secured, considered good	-	-
Unsecured, considered good	7,257.91	7,342.88
Doubtful	-	-
Total	7,257.91	7,342.88
Allowance for Doubtful Trade Receivables	-	-
Total Trade Receivables	7,257.91	7,342.88



12 Cash and Cash Equivalents

Particulars	As at 31st March, 2019	As at 31st March, 2018
Bank Balances	48.28	13.76
Cash on Hand	7.68	3.06
TOTAL	55.96	16.83

13 Others Current Financial Assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
1 Forward Contract Account (Fair Valuation)	-	-
2 Insurance Claim Receivable	-	31.23
3 Accrued Interest	8.29	0.06
TOTAL	8.29	31.29

14 Other Current Assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advances Given	308.38	229.85
Prepaid Expenses	24.14	16.90
Income Tax Refundable	6.34	6.57
Vat Refundable	12.98	12.94
GST & Excise & Service Tax Receivable	1,025.89	706.38
Excise & Service Tax (Under Protest)	0.78	0.78
Input Tax Credit	14.88	14.88
Employee Group Gratuity Fund	112.50	106.62
Less: Provision for Gratuity	(85.48)	(85.82)
Employee gratuity fund (Net of provision for gratuity)	27.01	20.80
Interest Receivable Under TUF Scheme	196.87	149.33
Incentives receivable (Export)	799.46	948.06
MAT Credit (as per Provisions of Income Tax Act, 1961)	-	-
Add: Entitled during the year	-	-
Less:Mat Credit Utilized (Contra)	-	-
TED Receivable	7.29	7.29
Interest Subsidy Under Customized Package	94.81	46.18
Unamortized Loan Processing Fees	3.67	4.52
Unamortized Processing Fees	2.04	-
TOTAL	2,524.54	2,164.49



15 Equity Share Capital

Particulars	As at 31st March, 2019	As at 31st March, 2018
Share Capital		
1 Authorised :		
70,00,000 (70,00,000) Equity Shares of Rs.10/- each	700.00	700.00
2 Issued & Subscribed		
63,35,200 (63,35,200) Equity shares of Rs.10 each/-	633.52	633.52
3 Fully Paid Up		
52,21,000 (52,21,000) Equity Shares of Rs.10/-each fully paid	522.10	522.10
Add: Forfeited Equity Shares	-	-
11,14,200 (11,14,200) Equity Shares	59.43	59.43
(* figures in bracket are of Previous Year)		
TOTAL	581.53	581.53

(a) Rights, Preferences and restrictions attached to Equity Shares

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.

(b) Reconciliation of the number of shares outstanding :-

Particulars	As at 31st March, 2019	As at 31st March, 2018
	No of shares	No of shares
At the beginning of the year	5,221,000	5,221,000
Add: Issued during the year	-	-
Less: Bought Back during the year	-	-
At the end of the year	5,221,000	5,221,000

(c) Shares held by each shareholder holding more than 5% of number of shares:

Name of Shareholder	As at 31st March, 2019	
	No.of Shares held	% of holding
Mr. Manish Singhal	1,377,625	26.39%
Mr. Gauri Shanker Kandoi	1,428,807	27.37%
Mrs. Savitri Kandoi	420,500	8.05%
M/s. Manish Singhal-HUF	340,000	6.51%
M/s. Baldevdas Gauri Shanker Kandoi- HUF	330,400	6.33%



16 Other Equity

Particulars	As at 31st March, 2019	As at 31st March, 2018
<u>Reserves and Surplus</u>		
1 Revaluation Reserve		
At the beginning of the year	-	-
Add; Additions during the year	4,498.76	-
Less: withdrawals/transfer	16.25	-
Balance at the year end	4,482.51	-
2 General Reserve		
At the beginning of the year	36.47	36.47
Add; Additions during the year	16.25	-
Less: withdrawals/transfer	-	-
Balance at the year end	52.72	36.47
3 Surplus		
At the beginning of the year	5,306.30	4,477.92
Add; Additions during the year	869.55	781.49
Add: withdrawals/transfer	-	46.89
Balance at the year end	6,175.85	5,306.30
TOTAL	10,711.08	5,342.75

*Refer note No. 7C to Property Plant & Equipment regarding Revaluation of Land and Building.

17 Non Current Borrowings

Particulars	As at 31st March, 2019	As at 31st March, 2018
Term Loan		
Secured		
From Bank		
State Bank of India	4,322.04	5,114.54
Term Loan III	84.56	428.57
Term Loan IV	40.58	82.54
Term Loan V	159.31	212.43
Term Loan VI	2,314.99	2,746.00
Term Loan VII	1,361.00	1,645.00
Term Loan VIII	361.60	-
HDFC	3,330.08	2,022.00
Term Loan	3,020.08	2,022.00
Term Loan	310.00	-
HDFC - Auto Loan	20.99	-
Total	7,673.11	7,136.54
Less : Current maturities of long term borrowings	1,096.44	1,075.12
TOTAL	6,576.67	6,061.42



Nature of Security and terms of repayment for Long Term secured borrowings:

Nature of Security

- i Term loan from bank **(Term Loan III)**, balance outstanding amounting to Rs. 84.56 lakhs (March 31, 2018 : Rs. 428.57 lakhs) is secured by pari passu 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, Mr. Manish Singhal and Mrs. Prity Singhal, Directors of the company in their personal capacity. Repayable in 26 Quarterly installments starting from January, 2013. Last installment due in April, 2019. Rate of Interest 10.55% p.a. as at year end. (March 31, 2018: 9.65% p.a.)*
- ii Term loan from bank **(Term Loan IV)**, balance outstanding amounting to Rs. 40.58 lakhs (March 31, 2018 : Rs. 82.54 lakhs) is secured by pari passu 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, Mr. Manish Singhal and Mrs. Prity Singhal, Directors of the company in their personal capacity. Repayable in 30 Quarterly installments starting from December, 2012. Last installment due in March, 2020. Rate of Interest 10.55% p.a. as at year end. (March 31, 2018: 9.65% p.a.)*
- iii Term loan from bank **(Term Loan V)**, balance outstanding amounting to Rs. 159.31 lakhs (March 31, 2018 : Rs. 212.43 lakhs) is secured by pari passu 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, Mr. Manish Singhal and Mrs. Prity Singhal, Directors of the company in their personal capacity. Repayable in 32 Quarterly installments starting from June, 2015. Last installment due in March, 2023. Rate of Interest 10.55% p.a. as at year end. (March 31, 2018: 9.65% p.a.)*
- iv Term loan from bank **(Term Loan VI)**, balance outstanding amounting to Rs. 2314.99 lakhs (March 31, 2018 : Rs. 2746.00 lakhs) is secured by pari passu 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, Mr. Manish Singhal and Mrs. Prity Singhal, Directors of the company in their personal capacity. Repayable in 32 Quarterly installments starting from June, 2016. Last installment due in March, 2024. Rate of Interest 10.55% p.a. as at year end. (March 31, 2018: 9.65% p.a.)*
- v Term loan from bank **(SBI Term Loan VII)**, balance outstanding amounting to Rs. 1361 lakhs (March 31, 2018 : Rs. 1645.00 lakhs) is secured by pari passu 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, Mr. Manish Singhal and Mrs. Prity Singhal, Directors of the company in their personal capacity. Repayable in 32 Quarterly installments starting from October, 2015. Last installment due in July, 2023. Rate of Interest 10.55% p.a. as at year end. (March 31, 2018: 9.65% p.a.)*
- vi Term loan from bank **(SBI Term Loan VIII)**, Sanctioned Rs.1400 Lakhs, availed Rs.361.60 lakhs and balance to be availed Rs.1038.4 Lakhs is secured by pari passu 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, Mr. Manish Singhal and Mrs. Prity Singhal, Directors of the company in their personal capacity. Repayable in 29 Quarterly installments starting from December, 2020. Last installment due in December, 2027. Rate of Interest 9.45% p.a.*



vii HDFC Term Loan I: balance outstanding amounting to Rs. 3020.08 Repayable in 27 Quarterly installments starting from lakhs is secured by First Parri Pasu charge on entire Fixed Assets March,2019. Last installment due in with SBI and Second Parri Passu charge on entire Current Assets of Sepetember,2025. Rate of Interest:MCLR plus 0.90 the company with SBI further personal gurantee of Mr. GS Kandoi, Paise Mr Manish Singhal and Prity Singhal, the directors of the company.

viii HDFC Term Loan II: Sanctioned Rs.500.00 Lakhs, availed Rs.310.00 Repayable in 16 Quarterly installments starting from lakhs and balance to be availed Rs.190.00 Lakhs is secured by First May,2020. Last installment due in February,2024. Parri Pasu charge on entire Fixed Assets with SBI and Second Parri Rate of Interest:MCLR plus 0.90 Paise

Passu charge on entire Current Assets of the company with SBI further personal gurantee of Mr. GS Kandoi, Mr Manish Singhal and Prity Singhal, the directors of the company.

Installments falling due within a year in respect of all the above Loans aggregating 1096.44 lakhs (March 31, 2018 : Rs. 1075.12 lakhs) have been grouped under "Current maturities of long term borrowings " (Refer Note 17)

* Rate of Interest is without considering interest subsidy under TUF scheme.

18 Deferred tax liabilities (Net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
1 Deferred tax liabilities (Net)	564.61	362.89
TOTAL	564.61	362.89

19 Other Non Current Liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
1 Government Grants	866.94	818.27
TOTAL	866.94	818.27

20 Current Borrowings

Particulars	As at 31st March, 2019	As at 31st March, 2018
Loan payable on demand from Banks :		
Secured		
1 State Bank of India		
a. Cash Credit Account	308.95	357.74
b. Packing Credit Limit	1,908.09	3,886.25
c. LC Discounting	17.02	-
2 HDFC		
a. Cash Credit Account	194.82	253.08
b. Packing Credit Limit	2,832.94	863.67
TOTAL	5,261.82	5,360.74

Loans payable on demand from SBI & HDFC are secured by parri passu charge way of hypothecation of stock of Raw Material, Finished goods, Work in process, Store & spares, Book Debts except receivable of agency division and all current assets of the company.

The loans are further personal guaranteed of Mr. G. S. Kandoi, Mr. Manish Singhal and Mrs. Prity Singhal Directors of the company.

Cash Credit Limits of Agency Division with State Bank of India (SBI) is secured by Hypothecation of receivables under Electronic dealer Finance Scheme (e-dfs).

HDFC CC - This CC limit is secured by First Parri Pasu charge on entire Current Assets with SBI and Second Parri Passu charge on entire Fixed Assets of the company with SBI further personal gurantee of Mr. GS Kandoi, Mr Manish Singhal and Prity Singhal, the directors of the company.

**21 Trade Payables**

Particulars	As at 31st March, 2019	As at 31st March, 2018
For Goods		
Micro, Small & Medium Enterprises*	95.08	22.31
Others	3,577.87	1,375.02
TOTAL	3,672.95	1,397.33

The Company has received intimation from few of its suppliers about their having filed a memorandum in pursuance of Micro, Small and Medium Enterprises Development Act, 2006 and the same has been grouped under Micro, Small and Medium Enterprises.

22 Other Current Financial Liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current maturities of long term borrowings	1,096.44	1,075.12
Liabilities for expenses	678.94	578.47
Security Deposit	15.97	12.97
Current Account	1,063.82	610.10
Forward Contract (Fair valuation)	9.29	53.70
Unamortized Finance Cost	2.04	2.51
TOTAL	2,866.50	2,332.87

23 Other Current Liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Statutory Liabilities	79.59	53.78
Advance from Customers	71.54	122.04
TOTAL	151.13	175.82

24 Provisions

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for bad & Doubtful Debts	-	-
Provision for Leave Encachment	23.86	23.47
Provision for Bonus	198.51	191.28
TOTAL	222.37	214.75

25 Current Tax Liabilities (Net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Income Tax	360.00	500.00
Less: Advance Tax	(154.58)	(278.00)
Less: MAT Credit Entitlement	-	-
TOTAL	205.42	222.00


26 Revenue From Operations

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(a) Sale of products		
Terry Towels (Net)	21,109.28	20,739.79
Coated Fabric (Net)	1,905.06	-
(b) Sale of Services		
Commission Income	82.01	92.76
(c) Other operating revenue		
Duty Drawback	444.88	820.28
ROSL Scheme	605.06	528.85
Duty Credit Scripts	761.14	545.70
Total	24,907.43	22,727.38

27 Other Income

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(a) Interest		
Other Interest	171.28	163.49
(b) Other non operating revenue		
Foreign Exchange Gain	406.70	366.03
Rental Income	39.75	6.57
Other income	9.82	0.52
Apportioned income from Government Grants (including TED Refund)	126.38	90.05
Sundry Balances written off	1.34	1.50
Excess Provision written off	-	1.69
Sampling Charges	2.99	0.23
Total	758.26	630.09

28 Cost of Material Consumed

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Raw Material Consumed		
Opening Stock	308.10	592.76
Add: Purchases	12,621.06	8,895.53
Freight	0.57	0.79
	12,929.73	9,489.08
Less: Closing Stock	844.73	308.10
	12,085.00	9,180.98
Dyes & Chemicals Consumed		
Opening Stock	205.11	224.51
Add: Purchases	1,799.97	1,810.70
Freight	5.36	5.99
	2,010.44	2,041.20
Less: Closing Stock	195.90	205.11
	1,814.54	1,836.09
	13,899.55	11,017.07



29 Changes in inventories of Finished Goods & WIP

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Opening Inventories		
Finished Goods (Towel/Artificial Leather)	840.44	875.49
Work in progress	1,061.22	1,464.14
Saleable Waste	1.26	2.55
	1,902.92	2,342.18
Closing Inventories		
Finished Goods (Towel/Artificial Leather)	666.55	840.44
Work in progress	3,427.44	1,061.22
Saleable Waste	5.51	1.26
	4,099.50	1,902.92
INCREASE/(DECREASE)	(2,196.57)	439.26

30 Manufacturing expenses

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Consumable Stores	1,023.67	778.89
Job Charges	1,676.34	653.36
Packing Material	512.14	475.46
Power & Fuel	2,473.60	2,431.28
Repairs & Maintenance- Building	31.47	56.58
Repairs & Maintenance- Plant & Machinery	60.81	52.82
Stores & Spares	289.47	439.18
Other Manufacturing Expenses	322.96	206.81
Total	6,390.46	5,094.38

31 Employee benefits expense

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries & Wages	1,976.37	1,921.25
Contribution to Provident Fund	47.03	53.53
Contribution to ESIC	53.44	40.23
Contribution to Gratuity	3.20	-
Staff welfare Expenses	310.38	304.64
Total	2,390.41	2,319.65

32 Financial expense

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest Expenses	550.89	419.09
Other Borrowing Costs (Bank Charges)	126.82	101.98
Total	677.70	521.07

33 Other expenses

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Insurance	10.65	17.47
Rent	26.64	22.53
Clearing & Forwarding Charges	563.26	545.70
Commission on sale	249.43	395.00
Payment to Auditors	-	-
- As Auditor	-	0.71
Miscellaneous Expenses	424.41	449.82
Amortization of Loan Fees	-	-
Total	1,274.38	1,431.23



34 Income Tax Expenses

Tax expense recognized in the Statement of Profit and Loss

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Current Tax		
Current Tax on taxable income for the year (Net of MAT Credit)	360.00	500.00
Total Current Tax expense	360.00	500.00
Deferred Tax		
Deferred Tax charge/(credit)	201.72	(316.38)
Total Deferred Income Tax expense/(benefit)	201.72	(316.38)
Tax in respect of earlier years	93.71	14.90
Total income tax expense (including previous year)	655.43	198.52

35 FINANCIAL RISK MANAGEMENT

35.1 Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

35.2 Financial risk factors

The Company's principal financial liabilities comprise of trade payables, borrowings and other liabilities. The main purpose of these financial liabilities is to manage finances for the Company's operations and also for purchase of capital assets and for safeguarding its interests under contracts.

The Company has trade and other receivables and cash and cash equivalents that arise directly from its operations as a part of its financial assets.

The Company's activities expose it to a variety of financial risks:

a. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices/market interest rates.

(i) Interest rate risks:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. According to the Company interest rate risk exposure is only for floating rate borrowings which it had taken from HDFC bank rest of the borrowing of the company are fixed rate borrowing which are not subject to market risk.

Exposure to Interest rate risk

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total Borrowings	12,934.92	12,497.28
Borrowings Having variable rate of interest	3,330.08	2,022.00
% of Borrowings out of above bearing variable rate of interest	25.74%	16.18%

(ii) Foreign currency risk:

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.



Exposure to foreign currency

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total export debtors	4,812.71	5,931.82
Hedged export debtors (Forward contract taken)	1,438.44	5,274.89
Undedged export debtors	3,374.27	656.93

b. Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets.

The Company makes major of its export sales, against a security in the nature of Letter of Credit , and hence the credit risk is minimal with regard to export debtors. However the company makes local sales and it is subject to credit risk the company manages this risk by recognising 100 % expected credit loss on debtors outstanding for more than 36 months.

The ageing of trade receivables as on 31st March 2019 is as below:

Particulars	Due upto 36 Months	Due for more than 36 Months
Good	7257.91	-
Doubtful	-	-
Others	-	-
Gross	-	-
Expected Credit Losses	-	-

The ageing of trade receivables as on 31st March 2018 is as below:

Particulars	Due upto 36 Months	Due for more than 36 Months
Good	7342.88	-
Doubtful	-	-
Others	-	-
Gross	7342.88	-
Expected Credit Losses	-	-

c. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash requirements. The Company monitors rolling forecasts of its liquidity requirements to ensure it has



sufficient cash to meet operational needs.

As on 31st March,2019 the company had a cash and cash equivalent of Rs.55.96 Lakhs & as on 31st March,2018 Rs.16.83 Lakhs.

36 Fair Value Measurement

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

2. IND AS 101 allows Company to fair value its property, plant and machinery on transition to IND AS, the Company has fair valued property, plant and equipment, and the fair valuation is based on deemed cost approach where the existing carrying amounts are treated as fair values.

The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate.

In case of security deposits, Company has used the fixed deposit rate of the year of making advance. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For other financial assets and liabilities that are measured at amortised cost, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices / published NVA (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value (NAV) is published mutual fund operators at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.



Particulars	As at 31 st March 2019		As at 31 st March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at amortised cost				
Trade Receivables	7,257.91	7,257.91	7,342.88	7,342.88
Cash & Cash Equivalents	55.96	55.96	16.83	16.83
Other Financial Assets	229.01	229.01	116.35	116.35

Particulars	As at 31 st March 2019		As at 31 st March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at fair value through other comprehensive income	-	-	-	-

Particulars	As at 31 st March 2019		As at 31 st March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at fair value through profit and loss				
Forward Contracts	-	-	-	-

Particulars	As at 31 st March 2019		As at 31 st March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities designated at amortised cost				
Borrowings (Non-Current and Current)	11,838.48	11,838.48	11,422.16	11,422.16
Trade Payables	3,672.95	3,672.95	1,397.33	1,397.33
Other Financial Liabilities	2,857.21	2,857.21	2,279.19	2,279.19

Particulars	As at 31 st March 2019		As at 31 st March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities designated at fair value through profit and loss	9.29	9.29	53.70	53.70

37 FAIR VALUE HEIRARCHY

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

- a Quoted prices/published NAV (unadjusted) in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.
- b Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, interest free security deposits) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.
- c Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.



Fair Value of Financial Assets and Financial Liabilities accounted for in the Standalone Financial Statements as on the reporting date of the entity

(In Lac)

As at 31st March 2019			
Particulars	Level 1	Level 2	Level 3
Financial Assets			
Trade Receivables	-	-	7,257.91
Cash & Cash Equivalents	-	-	55.96
Other Financial Assets	-	-	229.01
Financial Liabilities			
Borrowings (Non-Current and Current)	-	-	11,838.48
Trade Payables	-	-	3,672.95
Other Financial Liabilities	-	-	2,857.21
Forward Contracts	9.29	-	-

As at 31st March 2018			
Particulars	Level 1	Level 2	Level 3
Financial Assets			
Trade Receivables	-	-	7,342.88
Cash & Cash Equivalents	-	-	16.83
Other Financial Assets	-	-	116.35
Forward Contracts	-	-	-
Financial Liabilities			
Borrowings (Non-Current and Current)	-	-	11,422.16
Trade Payables	-	-	1,397.33
Other Financial Liabilities	53.70	-	2,279.19

During the year ended March 31, 2019 and March 31, 2018, there were no transfer into and out of Level 1 fair value measurements. Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy as at March 31, 2019 and March 31, 2018, respectively:

Particulars	Fair Value Hierarchy	Valuation Technique	Inputs Used
Financial Assets			
Forward Contracts	Level 1	Quoted prices	

38 CAPITAL RISK MANAGEMENT

Objective

The primary objective of the Company's capital management is to maximize the shareholder value. i.e. to provide maximum returns to the shareholders. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns to the shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2019 and March 31, 2018.

Policy

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the rules and regulations framed by the Government.

Process

The Company manage its capital by maintaining sound/optimal capital structure financial ratios, such as net debt-to-equity ratio on a monthly basis and implements capital structure improvement plan when



necessary. Debt-to-equity ratio as of March 31, 2019, March 31, 2018 is as follows:

Particulars	As on 31st March 2019	As on 31st March 2018
Total debt	6,576.67	6,061.42
Total equity	11,292.60	5,924.28
Ratio	0.58	1.02

39 PROVISIONS

Movement in each class of provision during the financial year are provided below:

(Amount in lakhs)

Particulars	Provision for Bonus	Provision for Gratuity	Provision for Leave encashment	Provision for Taxation
As at 1st April 2017	229.96	94.09	23.65	54.79
Excess provision reversed	-	(1.69)	-	-
Addition during the year	191.28	-	10.91	500.00
Actual Benefits Paid	(229.96)	(6.57)	(11.09)	(54.79)
As at 31st March 2018	191.28	85.83	23.47	500.00
Excess provision reversed	-	-	-	-
Addition during the year	198.51	3.20	2.31	360.00
Actual Benefits Paid/Utilized	(191.28)	(3.54)	(1.92)	(500.00)
As at 31st March 2019	198.51	85.49	23.86	360.00

Particulars	Provision for Bonus	Provision for Gratuity	Provision for Leave encashment	Provision for Taxation
As at 31st March 2018				
Current	191.28	-	23.47	500.00
Non Current	-	85.83	-	-
	191.28	85.83	23.47	500.00
As at 31st March 2019				
Current	198.51	-	23.86	360.00
Non Current	-	85.49	-	-
	198.51	85.49	23.86	360.00

40 INCOME TAX EXPENSE

(Amount in lakhs)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Current Tax	360.00	500.00
Deferred Tax	201.72	(316.38)
Tax in respect of earlier years	93.71	14.90
Total tax expense (For Current year)	655.43	198.52



Deferred Tax Assets (Liabilities)

The analysis of deferred tax assets and deferred tax liabilities is as follows:

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<u>Deferred Tax Asset</u>		
Provision for Leave Encachment	6.95	8.12
Goodwork Incentive	0.44	0.53
Government Grant	88.58	151.31
Unamortised Finance Cost	0.59	0.87
Unamortized transaction cost	5.68	-
Provision for Bonus	57.81	66.20
	160.05	227.03
<u>Deferred Tax Liability</u>		
Forward Contract Account (Gain on Fair Valuation)	-	-
Insurance Claim Receivable	-	-
Property, Plant and Equipment	(724.67)	(582.31)
Unamortized transaction cost	-	(7.61)
Trade receivables	-	-
	(724.67)	(589.92)
Net Deferred Tax Asset(Liability)	(564.62)	(362.89)

41 Related Party Transactions

In accordance with the requirements of IND AS 24, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are reported as under:

(i) Related party name and relationship

(a) Executive Directors:

Particulars	Designation
Shri G S Kandoi	Chairman & Managing Director
Shri Manish Singhal	Executive Director
Smt. Prity Singhal	Executive Director
Shri Ramesh Chand Maheshwari	Executive Director till 8.3.2019

(b) Relatives of Key Managerial Persons with whom transactions have taken place:

Particulars	Relation
Smt. Ritu Singhal	Daughter in law of shri G.S. Kandoi
Shri Vivek Singhal	Son of shri G.S. Kandoi

(c) Non Executive Directors, KMP and Enterprises Over which they are able to exercise significant influence (With whom transaction have taken place):

Particulars	Designation
Shri Rameshwar Pareek	Non Executive Director till 07.2.2019
Shri Kamlesh Sharma	Non Executive Director
Shri Radhey Shyam Gemini	Non Executive Director till 07.2.2019
Shri Raj Kumar Agarwal	Non Executive Director till 12.10.2018
Shri Promod Agarwal	Non Executive Director from 12.10.2018 till 26.02.2019
Shri Jai Prakash Khandelwal	Non Executive Director from 14.02.2019
Shri Bridhi Chand Sharma	Non Executive Director from 26.02.2019
Shri Harshit Attar	Company Secretary & Compliance Officer till 17.04.2018
Saied Mohammad	Company Secretary & Compliance Officer from 30.5.2018 till 06.09.2018
Miss Neetu Sharma	Company Secretary & Compliance Officer from 12.10.2018
Shiv Ratan Sharma	Chief Financial Officer
M/s B I Enterprises Pvt. Ltd.	Related Concern
M/s Chrome International Co. Ltd.	Related Concern



(ii) Transactions Carried Out With Related Parties referred in point 1 above in ordinary course of Business (Arms Length Transactions)

Nature of Transactions	Related Parties	
	Referred to in 1(a) above	Referred to in 1(b) above
Purchases		
Goods & Material	-	-
Sales		
Goods & Material & Services	-	-
Short term Employee Benefit Expenses	249.67	9.00
Interest Paid	72.38	-
Rent Expense	-	-
Other Reimbursements	-	-
Nature of Transactions	Related Parties	
	As at 31st March, 2019	As at 31st March, 2018
Outstandings		
Payable (Trade Payables and other Liabilities)		
Key Management Personnel	1,147.42	614.67
Relatives of Key Managerial Personnel	9.00	4.89
End of the year	1,156.42	619.56
Executive Directors Compensation		
(a) Short term Employee Benefits	249.67	153.13
Total Compensation	249.67	153.13

42 CONTINGENT LIABILITIES

(Amount in lakhs)

S.No.	Particulars	As at March 31,2019	As at March 31,2018
(I) Contingent Liabilities			
(i)	Bank Guarantees	450.00	427.00
(ii)	Civil suit	13.76	13.76
TOTAL		463.76	440.76

43 CAPITAL COMMITMENTS

(Amount in lakhs)

S.No.	Particulars	As at March 31,2019	As at March 31,2018
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	267.00	318.78
TOTAL		267.00	318.78



44 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.

POST RETIREMENT BENEFIT PLANS

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 trust. Eligible employees receive benefits from a provident fund which is a defined contribution plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

Defined Benefits Plan

(i) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

Actuarial Valuation

(Amount In lakhs)

Particulars	Current Year	Previous Year
PV of Past Service Benefit	76.94	77.25
Current Service Cost	29.45	29.48
Total Service Gratuity	875.66	876.92
Accrued Gratuity	85.48	85.82
LCSA	636.61	636.31
LC Premium	1.20	1.20
Service Tax/GST	0.22	0.22

Recommended Contribution Rate

(Amount In lakhs)

Particulars	Amount (Rs.)	Amount (Rs.)
Fund Value as on renewal date/Initial	112.50	106.62
Additional Contribution for existing fund	-	-
Current Service Cost	14.12	19.00
Total Amount Payable	15.53	20.42

Actuarial Assumptions

Particulars	Amount (Rs.)	Amount (Rs.)
Mortality Rate	LIC (2006-08) ultimate	LIC (2006-08) ultimate
Withdrawal Rate	1% to 3% depending on	1% to 3% depending on
Discount Rate	7.5% p.a.	8% p.a.
Salary Escalation	7%	7%



45 Disclosures required under Ind AS 108

In accordance with Accounting Standard Ind AS 108 'Operating Segment', segment information has been given as follows:

Operating Segments:

- (i) Textile Division :-Manufacturing and marketing of terry towels, made-ups, readymade garment like bathrobes, babyhood towels, pillows 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) Technichal Textile Division : Manufacturing of artificial leather through technical textile

Identification of Segments:

The Managing board monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as others 10% or more of the Revenue for Textile Division is Received from the Follwing Customers at following amounts: Walmart Stores Rs.7201.83 Lakhs]

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as others

Particulars	(Amount in lakhs)							
	Textile		Technical Textile		Others		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1 Segment Revenue								
Sales and other revenue	21,109.28	20,739.79	1,905.06	-	82.01	92.77	23,096.35	20,832.56
Other Operating Income	1,811.08	1,894.82	-	-	-	-	1,811.08	1,894.82
Interest Income	10.56	4.30	1.19	0.06	159.53	159.13	171.28	163.49
Other Income	470.85	440.76	70.49	17.25	45.64	8.59	586.99	466.60
Total Revenue	23,401.77	23,079.67	1,976.74	17.31	287.18	260.49	25,665.70	23,357.47
2 Segment Results								
Profit before interest, depreciation & tax	3,832.61	2,916.68	(146.18)	(9.44)	221.02	148.65	3,907.46	3,055.89
Interest Expenses	378.09	404.77	172.17	45.40	127.44	70.90	677.70	521.07
Depreciation & Amortization	1,549.32	1,527.04	146.43	5.16	9.02	22.61	1,704.77	1,554.81
Provision for tax	-	-	-	-	655.43	198.52	655.43	198.52
Profit/(Loss) after tax	1,905.20	984.87	(464.77)	(60.00)	(570.87)	(143.38)	869.56	781.49
3 Other Information								
a Segment Assets	21,839.33	16,731.47	8,857.30	3,767.75	984.39	2,371.19	31,681.02	22,870.41
Total Assets	21,839.33	16,731.47	8,857.30	3,767.75	984.39	2,371.19	31,681.02	22,870.41
b Segment Liabilities	16,233.92	10,782.42	8,523.52	3,826.50	(4,369.03)	2,337.22	20,388.41	16,946.14
Total Liabilities	16,233.92	10,782.42	8,523.52	3,826.50	(4,369.03)	2,337.22	20,388.41	16,946.14





46 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets Pledged as security for current and non-current borrowings are:

(Amount In lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current Assets		
Financial Assets		
Floating Charge	-	-
Cash & Cash Equivalents	55.96	16.83
Receivables	7,257.91	7,342.88
Fixed Deposit lien by bank against term loan	-	-
Short Term Loans & advances	308.38	229.85
Non Financial Assets		
Floating Charge	-	-
Inventories	5,931.94	2,792.50
Other Current Assets	2,216.16	1,934.64
Total Current assets Pledged as security	15,770.35	12,316.70
Non Current Assets		
First Charge		
Land	4,371.13	585.29
Building	3,293.33	1,493.52
Furniture, fittings and equipment	104.38	69.61
Plant and Machinery including Store & Spares	6,249.62	4,566.68
Fixed Deposit lien by bank against term loan	-	-
Others	525.15	430.15
Total non-current assets Pledged as security	14,543.61	7,145.25
Total assets Pledged as security	30,313.96	19,461.95

**47 EARNINGS PER SHARE**

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

(in number)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Issued number equity shares	5,221,000	5,221,000
Potential Equity Shares	-	-
Weighted average shares outstanding - Basic and Diluted	5,221,000	5,221,000

Net profit available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

(Amount In lakhs)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Profit and loss after tax	869.55	781.49
Profit and loss after tax for EPS	869.55	781.49
Basic Earnings per share (in Rs.)	16.65	14.97
Diluted Earnings per share (in Rs.)	16.65	14.97

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

48 INVESTMENT PROPERTY

*The company has given on rent a portion of its factory building situated at_C-171, Road No. 9J, VKI however the portion given on rent is insignificant and major portion of the factory is used in manufacturing activities hence the company has not recognised secretly such poriton as an investment property by taking of the view given in para 10 of IND AS 37 "Investment Property"

49 DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:

(Amount In lakhs)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Amount required to be spent as per Section 135 of the Act	24.05	21.19
Amount spent during the year on:	2.58	17.06



50 Financial and Derivatives Instruments

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 31.3.2019 is as under: (Amount in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
No. of contracts	9	18
US Dollar	2,074,587	8,000,000
EURO	-	70,000
INR equivalent	1,438.44	5,274.89

Value of Imports on CIF basis:- (Amount in lakhs)

Particular	As at 31st March, 2019	As at 31st March, 2018
Raw Material, Spare parts & consumbles	1,118.36	222.41
Capital Goods	927.92	1,571.05

Value of Raw Material, Components, & Spare Parts consumed (Amount in lakhs)

Particular	As at 31st March, 2019		As at 31st March, 2018	
	Amount	%	Amount	%
Raw material				
Imported	509.07	3.66	-	-
Indigenous	13,390.48	96.34	11,017.07	100.00
Spare parts				
Imported	177.36	16.15	192.86	15.53
Indigenous	920.78	83.85	1,048.88	84.47

Expenses in foreign currency (Amount in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Travelling	13.59	3.92
Commission	167.81	235.02
Marketing/ Exhibition Exp.	-	3.29
Misc. Exp.	1.79	-
Testing Fee	8.17	5.35

Earning in Foreign Currency (Amount in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Export of Goods on FOB Basis	19,717.37	18,897.23

In terms of our separate Audit Report of even date

FOR R SOGANI & ASSOCIATES

Chartered Accountants

FRN: 018755C

(BHARAT SONKHIYA)

Partner

M. No. 403023

Place : JAIPUR

Dated: 30.05.2019

For & on behalf of the Board

FOR K G PETROCHEM LTD.

(G. S. KANDOI)

Chairman Cum Managing Director

DIN: 00120330

(NEETU SHARMA)

Company Secretary

M.No. A41122

(MANISH SINGHAL)

Director

DIN: 00120232

(SHIV RATAN SHARMA)

CFO



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 39th Annual General Meeting of the Company on Saturday, 09th day of September, 2019 at 11.00 A.M. at F-394G, Road No 9F2, 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 2019 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 2019 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.



K G 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

FORM NO. MGT-11

PROXY FORM

(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 : F-394(G), Road NO.9F2, 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 39th Annual General Meeting of the Company on Monday, 09th day of September, 2019 at 10.15 A.M. at F-394(G), Road No 9F2, 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:

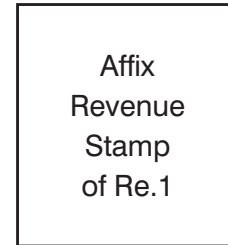
S. No.	Resolution	For	Against
1.	Adoption of Audited Financial Statement for the year ended March 31, 2019 & Directors and Auditors reports thereon.		
2.	Re-appointment of Statutory Auditors for second term.		
3.	Re-appointment of Mrs. Prity Singhal, who retires by rotation.		
4.	Appointment of Jai Prakash khandelwal as independent Director		
5.	Appointment of Bridhi Chand Sharma as independent Director		
6. c	Re- appointment of Kamlesh Sharma as independent Director		
7.	Consider and approve Restructuring of Business		



Affix Revenue Stamp of Re.1

** 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..... 2019
Signature of shareholder.....
Signature of Proxy holder(s) (1).....
Signature of Proxy holder(s) (2).....
Signature of Proxy holder(s) (3).....



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 39th Annual General Meeting.
6. Please complete all details including details of member(s) in above box before submission.