



BOARD OF DIRECTORS

Mr. G.S. Kandoi	:	Chairman cum Managing Director
Mr. Manish Singhal	:	Executive Director
Mrs. Savitri Kandoi	:	Additional Director (w.e.f. 10.7.2014)
Mr. R. C. Maheswari	:	Whole Time Director
Mr. Nitin Jaipuria	:	Independent Director
Mr. Rameshwar Pareek	:	Independent Director
Mr. Kamlesh Sharma	:	Independent Director
Mr. Raj Kumar Agarwal	:	Independent Director

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BANKER

STATE BANK OF BIKANER & JAIPUR
STATE BANK OF INDIA

AUDITORS

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

CORPORATE ADVISOR

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

REGISTRAR & SHARE TRANSFER AGENT

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

DEPOSITORY PARTICIPANT

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

WORKS

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



MISSION STATEMENT

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

VISION

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

VALUE

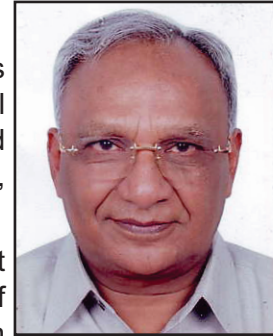
INTEGRITY - NEVER COMPROMISED



CHAIRMAN'S MESSAGE

Dear Fellow Shareowners,

My colleagues on the Board and I extend warm welcome and express their gratitude to the all present here at this 34th Annual General Meeting of your Company. The Directors' Report and Audited Financial Statements of the Company for the year ended March 31, 2014 along with the Auditors' Report thereon have been with you.



Strengthening of the rupee against the US Dollar will adversely impact the realisation from exports and consequently affect the balance of payments of the country. The future economic policies will depend on the new government at the Centre. Global economy growth has been on decline for the last few years. In spite of that, it is pleasing to report you that we delivered on our commitments. We are delighted to see our revenue from operation achieving new milestone of ₹15104.95 lacs in FY 2013-14 as against ₹12140.32 lacs in FY 2012-13, an increase of 24.42% on a year on year basis. KGPL also achieved its record level of export (FOB) at ₹10835.35 lacs as against ₹ 7095.65 lacs in FY 2012-13, thus increased by 52.70 %. Profit after tax was ₹ 685.21 lacs as against ₹333.51 lacs in previous year. These good results were fuelled by the remarkable acceptance of our product in overseas as well as in domestic market.

Expansion, which we planned and discussed at the time of last annual general meeting, is on the completion stage and we are expecting that production of both weaving & printing will commence from September 2014. After expansion, our capacity would be increased from 4000 MTPA to 6200 MTPA.

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

With best wishes

G.S. KANDOI

Chairman



NOTICE

Notice is hereby given that the 34th Annual General Meeting of members of KG PETROCHEM LIMITED will be held on Saturday, 27th day of September, 2014 at 10.30 A.M at C-171, Road No 9J, VKI Area, Jaipur 302013, Rajasthan to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement of the company for the year ended 31.03.2014 together with the report of the Board of Directors and Auditors.
2. To appoint a Director in place of Shri Ramesh Chand Maheshwari (DIN: 00091429), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the Next Annual General Meeting and to fix their remuneration:-

“RESOLVED THAT pursuant to Section 139(6) of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 and pursuant to the recommendations of the Audit Committee of the Board of Directors M/s. R Sogani & Associates, Chartered Accountants (FRN 018755C), be and are, hereby appointed as Auditor of the company to hold from the conclusion of this AGM to the conclusion of the 39th AGM, for the financial year ending 2019 (subject to ratification of the appointment by the members at every AGM held after this AGM) at the remuneration to be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. **To consider the regularization of additional director and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:**

“RESOLVED THAT pursuant to Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014 Mrs. Savitri Kandoi (DIN 06921389), who was appointed as Additional Director by the Board of Directors of the company pursuant to section 161(1) of the Companies Act, 2013 and who holds office upto the conclusion date of this AGM and in respect of whom the Company has received a notice under section 160(1) of Companies Act, 2013 from a member proposing her candidature for the office of a Director, be and is, hereby, appointed as the Director of the Company liable to retire by rotation.”

5. **To appoint Shri Nitin Jaipuria (DIN: 02723324) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Nitin Jaipuria (DIN: 02723324), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for the period 27th September, 2014 to 26th September 2019, whose period of shall not be liable to retire by rotation.”

6. **To appoint Shri Raj Kumar Agarwal (DIN 00127215), as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Raj Kumar Agarwal (DIN 00127215), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for the period 27th September, 2014 to 26th September 2019, whose period of shall not be liable to retire by rotation.”

7. **To appoint Shri. Kamlesh Sharma (DIN 000375888), as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri. Kamlesh Sharma (DIN 000375888), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for the period 27th September, 2014 to



26th September 2019, whose period of shall not be liable to retire by rotation.”

8. To appoint Shri Rameshwar Pareek (DIN: 00014224) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Rameshwar Pareek (DIN: 00014224) who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for the period 27th September, 2014 to 26th September 2019, whose period of shall not be liable to retire by rotation.”

9. To consider the re-appointment of SHRI GAURI SHANKAR KANDOI (DIN 00120330), Managing Director of the company and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri Gauri Shankar Kandoi (DIN: 00120330) as Managing Director of the Company, for a period of 3 (three) years from **01.08.2014 to 31.07.2017** on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting.

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri Manish Singhal (DIN: 00120232) as Whole Time Director of the Company, for a period of 3 (three) years from **01.08.2014 to 31.07.2017** on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting.

11. To consider the appointment of Shri Ramesh Chand Maheshwari (DIN: 00091429) as a Whole-time Director and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri Ramesh Chand Maheshwari (DIN:00091429) as a Whole-time Director, for a period of 3 (three) years from **01.08.2014 to 31.07.2017** on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Shri Ramesh Chand Maheshwari (DIN: 00091429), subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

12. To consider the adoption of newly substituted Articles of Association of the Company containing regulations in line with the Companies Act, 2013, and if thought fit, to pass with or without modification, the following resolution as Special resolution:

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

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

By the order of the Board
For KG Petrochem Limited

Guari Shankar Kandoi
Managing Director
DIN 00120330

Place: **JAIPUR**
Date : **14th August, 2014**

**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. The Register of Member & Share Transfer Book of the company will remain closed from 23rd September, 2014 to 27th September, 2014 (both days inclusive).
5. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Registrar.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar
7. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
8. Members are requested to put their signature at the space provided on the attendance slip annexed to the proxy form and handover the slip at the entrance of the place of the meeting.
9. Members are requested to bring their copies of Annual Report to the meeting.
10. Shareholders desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.
11. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
12. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
13. Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

14. VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 34th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):
- II. Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall be only be taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid. The instructions for e-voting are as under, Members are requested to follow the instruction below to cast their vote through e-voting:



III. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 21st September 2014 (9.a.m.) and ends on 23rd September 2014 (6.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 (record date) of 14th August, 2014 , may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "**KG PETROCHEM LTD**" from the drop down menu and click on "SUBMIT"
- (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, excluding the special characters.
- (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 enter in capital letters the PAN field of 10 characters as First 2 Characters of the First Holder Name followed by 8 characters consisting of Folio Number prefix by "0" (or 8 characters from right of BO-ID). No special characters or space will be taken from the name and folio number and name shall be excluded of titles like Mr / Mrs / Smt / Miss / Ms / M/s etc. Example: (1) Mr. V. N. Swami and Folio Number is S/0245, the PAN will be VN000S0245 (2) M/s. 4-square Company Ltd. and Folio Number is C-0052 the PAN will be 4S000C0052
DOB	Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.</p> <ul style="list-style-type: none">• Please Enter the DOB or Bank Account Number in order to Login.• If both the details are not recorded with the depository or company then please enter in the Dividend Bank Details field the Number of Shares Held by you as on 14th August 2014.



- 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 “**KG PETROCHEM LTD**” 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 out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders & Custodians:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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.
15. 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 (record date) of 14th August 2014.
16. Mr. Sandeep Jain, Company Secretary (Membership No. FCS 5398) of M/s. ARMS and Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
17. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
18. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.



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

Item No.4

In order to strengthen the Board and to empower women and in compliance of Section 149(2) of Companies Act, 2013 board of directors has appointed Mrs. Savitri Kandoi as Additional Director of the company under the provision of sec. 161(1) of the Companies Act, 2013 with effect from 10.07.2014 to hold office up to conclusion of the following AGM.

Notice in writing from member under sec. 160(1) of the Companies Act 2013 has been received along with a deposit of Rs. 1,00,000/- proposing the appointment of Mrs. Savitri Kandoi as Director. Mrs. Savitri Kandoi, if appointed, will be liable to retire by rotation.

The Company has received from Mrs. Savitri Kandoi (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub section (2) of section 164 of the Companies Act, 2013,.

Her brief resume is provided in the corporate governance report forming part of the Annual report.

The relatives of Mrs. Savitri Kandoi may be deemed to be interested in the resolutions set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

No director, Key Managerial Personnel or their relatives, except Mr. G.S. Kandoi, Mr. Manish Singhal and Smt. Savitri Kandoi, is interested or concerned in the resolution.

The Board commends the ordinary resolution set forth in Item No. 4 for the approval of the members.

Item No.5, 6,7 & 8

Shri Nitin Jaipuria (DIN: 02723324), Shri Raj Kumar Agarwal (DIN 00127215), Shri. Kamlesh Sharma (DIN 000375888) and Shri Rameshwar Pareek (DIN: 00014224) are a Non- executive Independent Director of the Company liable to retire by rotation.

It is proposed to appoint Shri Nitin Jaipuria, Shri Raj Kumar Agarwal, Shri Kamlesh Sharma and Shri Rameshwar Pareek as independent directors 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.

Notice in writing from member under sec. 160(1) of the Companies Act 2013 has been received along with a deposit of Rs. 1,00,000/- proposing the appointment Shri Nitin Jaipuria, Shri Raj Kumar Agarwal, Shri Kamlesh Sharma and Shri Rameshwar Pareek as independent directors.

The Company has received consent in writing from Shri Nitin Jaipuria, Shri Raj Kumar Agarwal, Shri Kamlesh Sharma and Shri Rameshwar Pareek to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014. The Company has received a declaration from Shri Nitin Jaipuria, Shri Raj Kumar Agarwal, Shri Kamlesh Sharma and Shri Rameshwar Pareek that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and the Listing Agreement. In the opinion of the Board, Shri Nitin Jaipuria, Shri Raj Kumar Agarwal, Shri Kamlesh Sharma and Shri Rameshwar Pareek fulfill the conditions for appointment as Independent Director as specified in the Companies Act, 2013. Shri Nitin Jaipuria, Shri Raj Kumar Agarwal, Shri. Kamlesh Sharma and Shri Rameshwar Pareek are independent of the management.

Further, Shri Nitin Jaipuria, Shri Raj Kumar Agarwal, Shri Kamlesh Sharma and Shri Rameshwar Pareek are not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and have given their intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified under sub section (2) of section 164 of the Companies Act, 2013.

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.

Shri Nitin Jaipuria, Shri Raj Kumar Agarwal, Shri. Kamlesh Sharma and Shri Rameshwar Pareek are interested in the resolutions set out respectively at Item Nos. 5, 6, 7 & 8 of the Notice with regard to their respective appointments.

The relatives of Shri Nitin Jaipuria, Shri Raj Kumar Agarwal, Shri Kamlesh Sharma and Shri Rameshwar Pareek may be deemed to be interested in the resolutions set out respectively at Item Nos. 5, 6, 7 & 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Except Shri Nitin Jaipuria, Shri Raj Kumar Agarwal, Shri. Kamlesh Sharma and Shri Rameshwar Pareek none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

Item No.9, 10 & 11

The Board of directors at their meeting held on 10th day of July, 2014 on the recommendation of the remuneration and nomination committee has approved re-appointment of Shri Gauri Shankar Kandoi as Managing Director, Shri Manish Singhal as Whole Time Director and Shri Ramesh Chand Maheshwari as Whole-time Director for a period of 3 three years on such terms and conditions as detailed below:



Name	Gauri Shankar Kandoi	Manish Singhal	Ramesh Chand Maheshwari
Designation	Managing Director	Executive Whole Time Director	Executive Whole Time Director
Salary inclusive of all allowances	Rs.400000 per month or as may be decided by the board of directors	Rs.400000 per month or as may be decided by the board of directors	Rs.34000 per month or as may be decided by the board of directors
Perquisites in addition to salary	<p>A. Housing: The expenditure incurred by the Company on hiring unfurnished accommodation subject to a Ceiling of sixty percent of the salary. In case the accommodation is owned or taken on lease by the Company, the company shall deduct ten percent of the salary of the appointee.</p> <p>B. Expenditure incurred by the company on Gas, Electricity, Water etc. will be valued as per Income Tax Rules, 1962.</p> <p>C. Medical/Hospitalization Expenses Reimbursement of Expenses incurred for the appointee and the family in accordance with the rules of the company.</p> <p>D. Leave Travel Concession: Leave Travel Concession for self and family in accordance with the rules of the company.</p> <p>E. Club Fees: Fees of Clubs subject to maximum of two clubs, admission and life membership fees to be paid as per rules of the Company.</p> <p>F. Personal Medical/ Accident Insurance etc.: Coverage for Personal Medical/ Accident Insurance/ Keyman Insurance or any other coverage as per rules of the Company and annual premium for the same to be paid by the Company.</p> <p>Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes. Notes: For the purpose of perquisites stated herein above, family means spouse, dependent children and dependent parents of the appointee. Perquisites shall be evaluated as per Income Tax Rule wherever applicable and in the absence of any such rule. Perquisites shall be evaluated at actual cost.</p>		
Retirement Benefits	<p>A. Company's Contribution towards Provident Fund, Super-annuation fund or Annuity Fund shall be as per the Rules of the Company and this amount shall not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act 1961.</p> <p>B. Gratuity payable shall be in accordance with the rule of the company.</p> <p>C. Earned Leave on full pay and allowances as per the rules of the Company, leave accumulated shall be encashable of Leave at the end of the tenure, if any, will not be included in the computation of the ceiling on perquisites.</p>		
Other benefits	<p>A. Provision of car with Driver for use in Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company.</p> <p>B. The appointee shall be entitled to reimbursement of entertainment expenses actually and properly incurred during the course of legitimate business of the company.</p> <p>C. The appointee shall be eligible for Housing, Education and Medical Loan and other Loans or facilities as applicable in accordance with the rules of the company.</p>		
Minimum Remuneration	Where in any financial year during the currency of tenure of the managing director, the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary and perquisites not exceeding the limits as specified above.		



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

1. General Information

Nature of industry	The Company is engaged in the business of manufacturing of Textiles, Garments, and distribution of Polymers with manufacturing facilities located at Rajasthan
Date or expected date of commencement of commercial production.	The Company is already in production from many years.
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable
Financial performance based on given indicators.	During the financial year ended on 31st March, 2013 the turnover of the Company was Rs.121.40 Crores and Profit Before Tax (PBT) was Rs.4.92 Crores. Whereas during the financial year ended on 31st March, 2014, the turnover of the Company is Rs.151.05 Crores and Profit Before Tax (PBT) is Rs. 9.78 Crores. The management has worked efficiently in the best interest of the Company and the Company is expanding its activities despite sluggish market conditions.
Foreign Investments or collaborators, if any.	No such investment or collaboration except minor shareholding of Non Resident Indians, if any.

2. Information about the appointee

Name	Gauri Shankar Kandoi	Manish Singhal	Ramesh Chand Maheshwari
Background Details	He is founder of the company. He has completed his B.E. in Mechanical from BITS Pilani and is having experience of about 50 years in running and managing the industries.	He is son of Shri Gauri Shankar Kandoi founder of the company. He has completed his B.Tech from IIT Delhi and M.S. in Chemicals from University of Florida, USA and is having experience of more than 15 years.	He is a commerce graduate and is having experience of about 30 years in various industrial activities.
Past Remuneration	Rs.3,00,000 per month	Rs.3,00,000 per month	Rs.30,000 per month
Job profile and his suitability	Managing Director looking after Management and Finance	Executive Director and looking after production and marketing	Executive Director looking after marketing



Remuneration proposed	Rs.4,00,000 per month	Rs.4,00,000 per month	Rs.34,000 per month
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	Taking into account the turnover of the Company and responsibilities of the directors, the remuneration being proposed to be paid to them is reasonable and in line with the remuneration levels in the industry across the country.		
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.	Relative of Manish Singhal and Savitri Kandoi and holds 1063507 equity shares in the company	Relative of Gauri Shankar Kandoi and Savitri Kandoi and holds 1002310 equity shares in the company	Nil

3. Other Information

Reasons of inadequate profit	Company has earned profit before tax of Rs.9.78 crores during the year ended 31.03.2014. The company has managed to increase the profit on year to year basis but still the profit is inadequate to meet the minimum payment required to retain the senior executives.
Steps taken or proposed to be taken for improvement	Company is taking steps to improve the sales and profit margin.
Expected increase in the productivity and profits in measurable terms.	Company is in the process of increasing its capacity from 4000 M.T. p.a. to 6200 M.T.

4. Disclosures

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

**Item No. 12**

The existing Articles of Associations (AOA) are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013.

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- a) Existing articles have been streamlined and aligned with the Act;
- b) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- c) The nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- d) Independent Directors of the Company shall not be liable to retire by rotation and they shall not be entitled to ESOPs
- e) Company to comply with the provisions of the Rotation of Auditors as provided under the Companies Act, 2013.
- f) New provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;

The proposed new draft AoA is being available for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

None of the Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 12 of the Notice.

The Board commends the Special Resolution set out at Item No. 12 of the Notice for approval by the shareholders.



BRIEF DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER CLAUSE-49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE(S)								
Name of Director	Mr. Gauri Shanker Kandoi	Mr. Manish Singhal	Mr. Ramesh Chand Maheshwari	Mrs. Savitri Kandoi	Mr. Raj Kumar Agarwal	Mr. Rameshwar Pareek	Mr. Nitin Jaipuria	Mr. Kamlesh Sharma
DIN	00120330	00120232	00091429	06921389	00127215	00014224	02723324	00037588
Date of Birth	07.11.1943	10.08.1972	18.05.1960	02.03.1951	15.10.1959	01.11.1944	12.02.1973	06.09.1969
Nationality	Indian	Indian	Indian	Indian	Indian	Indian	Indian	Indian
Date of Appointment on the Board	05.09.2003	01.06.2000	29.09.2011	10.07.2014	17.06.2013	29.05.2008	29.05.2008	25.07.2012
Qualification	B.E (Mechanical) from Bits Pilani	M.S. Chemical From University of Florida USA & B.Tech From IIT Delhi	B.com	8th passed	B.Com	B.A Hons. M.A & Diploma in Management	B.Com	Hr. Secondary
Expertise in Functional Areas	Management & Finance	Management & Marketing	Marketing	Administration	Management & Finance	Legal & Finance	Textile Business	Insurance
Shareholding in Company	1063507	1002310	Nil	420500	Nil	Nil	Nil	Nil
Directorship Held in Other Companies	Lawreshwar Polymers Ltd.	Nil	Nil	Nil	1. Jeetish Propertise Private Limited 2. Rise Bulidhome Private Limited 3. Krishankripa Relcon Private Ltd. 4. Lawreshwar Polymers Ltd.	1. Genus Power Infrastructure Limited 2. Mayur Uniquoter Ltd. 3. Kailash Vidhyut & Ispat Limited 4. Genus Power Product Limited 5. Genus Prime Infra Limited 6. Gennus Electrotech Ltd. 7. Virtous Infra Limited 8. Virtous Urja Limited	Nil	Nil
Chairmanships/ Memberships of Committees of Board of Director of Other Companies	Nil	Nil	Nil	Nil	Nil	Chairman of Audit committee & Investor Grivence Committee: 1. Genus Power Infrastructure Limited 2. Genus Power Product Limited 2. Mayur Uniquoter Ltd. Member in Share Holder Grievance Committee 1. Genus Power Infrastructure Limited 2. Mayur Uniquoter Ltd.	Nil	Nil



DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their 34rd Annual Report together with the Audited Statement of Accounts for financial year ended on 31st March 2014.

FINANCIAL RESULTS

The Financial performance of the Company for the year ended March 31, 2014 is summarized below:-

Particular	F.Y 2013 -14 (₹ In lacs)	F.Y 2012 -13 (₹ In lacs)
Sales/Income from operation	15104.95	12140.32
Add :Other Income	265.06	298.57
Less: Total Expenditure (Including variation in Stock)	13069.58	10667.32
Profit before Interest, Depreciation & Tax	2300.43	1771.57
Less : Financial Expenses	577.43	594.97
Profit before Depreciation & Tax	1723.00	1176.59
Less : Depreciation	745.49	701.38
Add : Withdrawal from Capital Reserve	19.82	16.71
Provision for Tax (Including Deferred Tax)	312.12	158.42
Profit after Tax	685.21	333.51

DIVIDEND

In order to conserve the resource of the company, your Directors express their inability to recommend a dividend for the financial year ended on 31st March, 2014.

RESULT OF OPERATIONS:

During Financial the year under review, The Company was able to improve its performance in revenues from operations. During Financial Year 2014, the company has performed reasonably well and grew its revenues. The revenue from operation of the company for the year ended 31st March 2014 was ₹15104.95 lacs as against ₹12140.32 lacs in F.Y. 2012-13, an increase of 24.42 % on a year to year basis. Profit after tax was ₹ 685.21 lacs as against ₹333.51 lacs in previous year.

Further Segment wise result of operation is as under:-

Textile Division:- During the year under review, its revenue from operations was ₹15004.84 lacs including export sales of ₹ 10835.35 lacs (FOB) as against ₹12026.17 lacs including export of ₹7095.65 lacs (FOB) in previous year, growth of 24.77 %.The division has performed well during the year under review. The division had also achieved its level of exports (FOB) which were higher by 52.70% at ₹10835.35 lacs as against ₹7095.65 lacs FY 2012-13. Modernization and Technology Up-gradation programme continue at unit to maintain competitiveness and achieve better quality.

Agency Division- The division has sold HDPE\LLDPE Granules 24679.347 Mt. amounting to ₹27456.93 lacs in comparison of 19151.00 Mt. amounting to ₹18317.81 lacs and earned commission of ₹100.11 lacs as compared to last year ₹77.21 lacs.

Garment Division: To given strength and support to textile division, garment division is still doing job work for textile division.

PERSONNEL

During the year under review, industrial relations continue to be cordial. The Board wishes to place on record its appreciation for the valuable services rendered by the entire work force, during the year under review, achieved good quality production.

There were no employees whose remuneration was in excess of the limits prescribed under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company Mr. Ramesh Chand Maheshwari, Director shall retire by rotation at the forthcoming Annual General Meeting and being, eligible offer himself for reappointment.

During the period Mrs. Prity Singhal has resigned from the board and Mrs. Savitri Kandoi was appointed as Additional Director with effect from 10.07.2014 under Section 161(1) of the Companies Act, 2013 and liable to hold office upto the ensuing Annual General Meeting. The Company has received necessary notice under Section 161(1) of Companies the Act, 2013 from a member proposing her appointment and the resolution for her appointment shall be placed at the annual general meeting for the approval of members Brief resume of the above appointee Director is given in the Corporate Governance Report forming part of the Annual Report.

The Company has received requisite notices in writing from members proposing Shri Nitin Jaipuria, Shri Rameshwar Pareek, Shri



Kamlesh Sharma and Shri Raj Kumar Agarwal for appointment as Independent Directors.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Management continuously reviews the internal control systems and procedure for the efficient conduct of the company's business. The Internal Auditors of the company conducts the audit on regular basis and the audit committee actively reviews internal audit reports and effectiveness of internal control systems.

AUDITORS & AUDITOR'S REPORT

The Company's Auditors, M/s. R Sogani & Associates, Chartered Accountants, who are statutory auditor of the company hold office upto the forthcoming Annual General Meeting and are recommended for re-appointment to audit the accounts of the company for the Financial Year 2014-15. As required under provision of the Section 141 (3) (g) of the Companies Act, 2013, the company has obtained written confirmation from M/s. R Sogani & Associates that their appointment if made, would be in conformity with the limits specified in the said Section.

PUBLIC DEPOSITS:

During the year, the Company has not accepted any deposits under Section 58A of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of section 217 (2AA) of the Companies Act, 1956, your Directors confirm as under:-

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That the Directors have 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 as at 31st March, 2014 and of the profit of the Company for the year;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. That the annual accounts were prepared on a 'going-concern' basis.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report gives a detailed account of your Company's operations and the market in which it operates are separately given in the Annual Report and forms part of the Director Report.

CORPORATE GOVERNANCE

Your Company continues to be committed to good corporate governance and ethical corporate practices. A separate Report on Corporate Governance on compliance with the conditions of Corporate Governance as per Clause 49 of the Listing Agreement with Stock Exchanges is provided as part of this Annual Report.

COST AUDITORS:

The Cost Audit Report for the financial year 2012-13 was filed with Ministry of Corporate Affairs on October 23, 2013. The cost audit report for the year 2013-14 is in under process and will be filed in due course.

COMPLIANCE REPORT

Towards, company's commitment to transparency and due compliance of applicable laws, the Board is pleased to enclose compliance report in annexure "A" for the year 2013-2014 as a part of the Director Report.

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

Information in accordance with Sec. 217(1)(e) of the companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rule, 1988 is given in Annexure 'B' forming part of this report.

APPRECIATION

Your Directors would like to express their appreciation for the assistance and co operation received from Central and State Government Authorities, Regulatory Bodies, Banks. The Board also recognized the contribution of the esteemed customers, vendors, bankers and business associates in the growth of the Company.

The Director also wish to acknowledge the committed and dedicated team of KG Petrochem whose unstinted hard work, efforts and ideas have taken the Company on a path of steady growth and Development. We take this opportunity to thank the employees for their contribution to the growth and success of your company. We would also like to thank all other stakeholders and business associate for their report.

For and on behalf of the Board

Place: **JAIPUR**
Date : **10th July, 2014**

(G. S. Kandoi)
Managing Director

(Manish Singhal)
Director



**Annexure 'A' to the Directors Report
COMPLIANCE REPORT**

To

The Members

We are pleased to confirm that the Company has:

- ✓ Maintained all the books of accounts and statutory registers required under the Companies Act, 1956 ("the Act") and the rules made there under.
- ✓ Filed all the forms and returns and furnished all the necessary particulars with the Bombay Stock Exchange, SEBI, Ministry of Corporate Affairs and the Registrar of Companies, Rajasthan, as required by the Act and relevant Rules.
- ✓ Issued all notices required to be given for convening of Board/ Committee Meetings and General Meeting, within the time limit prescribed by law.
- ✓ Conducted the Board/Committee Meetings and Annual General Meeting as per the Act.
- ✓ The Board of Directors of the company is duly constituted. The appointment of directors has been made in accordance with the provisions of the Act.
- ✓ Complied with all the requirements relating to minutes of the proceedings of the meeting of the Directors/ Committee and the shareholders.
- ✓ Made due disclosure required under the Act.
- ✓ Not exceeded the borrowing powers.
- ✓ No penalties or strictures have been imposed on the company by the Stock Exchange, Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to Capital Markets during the last three years.
- ✓ The company has generally complied with the applicable provisions of the Listing Agreements with the Stock Exchanges.

For and on behalf of the Board

Place: JAIPUR
Date : 10th July, 2014

(G. S. Kandoi)
Managing Director

(Manish Singhal)
Director



Annexure "B" Annexed to the Directors' Report

Particulars as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2014.

CONSERVATION OF ENERGY

The Company's efforts at energy conservation through close monitoring and control are continue.

- (a) The Energy Conservation measures taken are:
- Providing energy efficient motors to reduce the consumption of power.
 - Using Variable Frequency Drive (VFD) on compressor to reduce power consumption.
 - Providing efficient lighting to reduce the light load.
 - Providing transparent sheets on the roof where there is no false ceiling to switch off lights during the day time.
 - Using agro waste to generate steam in the Boiler which improves the environment
- (b) Impact of the above measures for reduction of energy consumption and consequent impact on the cost of production of goods. This will reduce the consumption as well as cost of power.
- (c) Total energy consumption and energy consumption per unit of production in respect of industries specified in the schedule thereto. Impact of the above measures for reduction of energy and consequent impact on the cost of production of goods, as per Form 'A' below.

FORM - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION

	<u>Current Year</u>	<u>Previous Year</u>
1. Electricity		
(a) Purchased		
Units	13256068 KWH	11881094 KWH
Total Amount (₹.)	62647692	62617082
Rate/Unit (₹)	4.73	5.27
(b) Own generation		
Through Diesel Generator		
Units	63601	279678
Units per Ltr. of diesel oil	3.002	3.19
Cost/Unit (₹)	14.27	12.07
2. Coal, Pet coke, Husk, etc. (Used for Generation of Steam in Boiler)		
Steam (MT)	39518.82	34185.98
Total Amount (₹)	38224801	33007486
Average Rate/MT (₹)	967.25	965.52

B. TECHNOLOGY ABSORPTION:

The company is using indigenous technology. However research & development (R&D) activities are carried out in the following areas, as per Form 'B' below.



FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

1. Research & Development (R&D)

(a) Specific areas in which R&D carried out by the Company.

The company gives major emphasis on Research & Development in Production Development Activities relating to Manufacturing like designing of Towel, baby garments & Embroidery.

(b) Standardization of raw material sources and process parameters to match best quality standard conforming to the product division.

2 Benefit derived as a Result of the above R&D

The continuous product development has helped the company to expand the market base. This also helped the company in reduction of cost and process scrap where ever possible.

3. Further plan and action

The growing competition and frequently changing market trends have made Research and Development a 'thrust area'. For the company, Research and Developments is a continuous process and the company proposes to reinforce its R&D activities in the current and the coming years as well.

4. Expenditure on R & D

R & D expenditure have not been accounted for separately

Technology absorption, Adoption and innovation

(i) **Efforts in brief made towards Technology absorption, adoption being imparted and innovation.**

In-house training is being imparted to plant personnel to get conversant with The Technology Employed.

(ii) **Benefits derived as a result of improvement cost reduction product development, import substitution etc.**

Up gradation and standardization in process parameters that helped in reducing process scrap and productivity improvement

(iii) **Particulars of Technology imported**

None

C. Foreign Exchange Earnings / Out go:

Activities relating to exports; initiatives taken to increase exports; development of new export markets for products & services and export plans:

The Company is engaged in the manufacture and export of Terry Towel. Your company is making efforts to increase export markets in the countries like South Africa, U.S.A., Canada, Newzealand, Australia and Europe. We foresee good potential in these countries.

Total foreign exchange earnings and outgo :

	<u>2013-14</u>	<u>2012-13</u>
Earnings (₹)	10835.35 Lacs	7095.64 Lacs
Out go (₹)	1212.90 Lacs	7 3 2 . 5 1
Lacs		

For and on behalf of the Board

Place: JAIPUR
Date : 10th July, 2014

(G. S. Kandoi)
Managing Director

(Manish Singhal)
Director



MANAGEMENT DISCUSSION & ANALYSIS

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

Business of the Company:

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

SEGMENT ANALYSIS AND REVIEW

A. TEXTILE DIVISION:

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

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

According to the latest estimates, Indian economy grew by 4.70% in FY 2013-14. The manufacturing indices had declined, commodity price stayed at high levels and food inflation reached on all time high, which resulted in sustained consumer price index inflation of over 10% in the last financial year. The rupee depreciated significantly before retracting in the latter half of the year. Consumer sentiments remained subdued for most part of FY 2013-14. However, the slow GDP growth appears to have bottomed out and post election economic activities is expected to pick up from second quarter of FY 2014-15.

Textile division of the Company has performed well. During the year, the division booked remarkable growth in revenue from operations by 24.42%. The division also accelerates its growth in the export (FOB) turnover increased from ₹.7095.65 lacs to ₹10835.35 lacs, i.e. growth of 52.70%.

B. AGENCY DIVISION:

The division has sold HDPE\LLDPE Granules 24679.347 Mt. amounting to ₹27456.73 lacs in comparison of 19151.00 Mt. amounting to ₹18317.81 lacs and earned commission of ₹100.11 lacs as compared to last year ₹77.21 lacs. The company is receiving good response from customers in this sector and is hopeful with regard to increase in turnover of agency division as the use of polymer product has become a necessity in day to day life.

BUSINESS OUTLOOK

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

INTERNAL CONTROL SYSTEM

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

RISK MANAGEMENT

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

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

STATUTORY COMPLIANCE

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

INDUSTRIAL RELATIONS

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

HUMAN RESOURCES

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

For and on behalf of the Board

Place: JAIPUR
Date : 10th July, 2014

(G. S. Kandoi)
Managing Director

(Manish Singhal)
Director



CORPORATE GOVERNANCE REPORT

Corporate Governance Philosophy:

Corporate Governance is about credibility, transparency and accountability of the Board and Management towards shareholders and other investors of the Company. We believe in a Board of appropriate size, composition and commitment to adequately discharge its responsibilities and duties. We consistently review on a periodical basis all systems, policies and delegations so as to establish adequate and sound system of risk management and internal control. Given below is a brief report for the period 1st April 2013 to 31st March 2014 on the practice followed at KG Petrochem Limited toward achievement of good Governance Report:

(A) Composition of Board and record of other directorship held:

The Company is managed and controlled through a professional body of Board of Directors, which comprise of an optimum combination of Executive and Non-Executive Independent Directors headed by the Chairman. The strength of Board of Directors as on 31.03.2014 is seven, out of which four are Non-executive Independent Directors, The independent directors do not have any pecuniary relationship or transactions with Company, which may affect independence in any manner.

The composition of the Board of Directors of the Company is in conformity with the provision of Clause 49 of the Listing Agreement. All the directors bring with them rich and varied experience in different facet of corporate functioning. The structure of the Board and record of their directorship, Committee membership, chairmanship and shareholding in the Company as on 31st March 2014 is as under:

Name of the Director	Category	Designation	No. of other Director-ships Held	Total No. of Chairmanships/ Memberships other of Board Level Committees		Share holding as on 31 st March 2014
				Chairmanship	Membership	
Mr. G. S. Kandoi (DIN 00120330)	Promoter Director	Managing Director	1	-	-	1063507
Mr. Manish Singhal (DIN 00120232)	Executive Director	Whole Time Director	-	-	-	1002310
Mr. Raj Kumar Agarwal (DIN 00127215)	Non-Executive Independent Director	Director	3	-	-	-
Mr. Rameshwar Pareek (DIN 00014224)	Non-Executive Independent Director	Director	8	4	1	-
Mr. Kamlesh sharma (DIN 00037588)	Non-Executive Independent Director	Director	-	-	-	-
Mr. Ramesh Chand Maheswari (DIN 00091429)	Executive Director	Whole Time Director	-	-	-	-
Mr. Nitin Jaipuria (DIN 02723324)	Non-Executive Independent Director	Director	-	-	-	-
Mrs. Prity Singhal (DIN till 09.10.2013)	Executive Director	Whole Time Director	-	-	-	-



(B) Board Meeting:

The Board of Directors of the Company met six times on 27.05.2013, 17.06.2013, 14.08.2013, 14.11.2013, 13.02.2014, 07.03.14 during the financial year ended 31st March14. The maximum time gap between two meetings was less than four months. The attendance of each Director at these meetings and the last Annual General Meeting was as under:

Name of the Director	Number of Board Meetings held during the tenure of directorship and attended by them		Attendance at last AGM held on 29.07.2013
	Held	Attended	
Mr. G. S. Kandoi	6	6	Yes
Mr. Manish Singhal	6	6	Yes
Mr. Raj Kumar Agarwal	6	4	No
Mr. Rameshwar Pareek	6	6	Yes
Mr. Nitin Jaipuria	6	6	Yes
Mr. Ramesh Chand Maheswari	6	6	Yes
Mr. Kamlesh Sharma	6	5	No
Mrs. Prity Singhal	1	1	No

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

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

(C) Tenure:

Tenure of directorship of Mr. Ramesh Chand Maheshwari, who has been longest in the office, is liable to retire by rotation under section 255 of the Companies Act, 1956 at the 34th Annual General Meeting and being eligible, offers himself for reappointment.

(A) Relationship among Directors:

Sr. No	Name of Director	Relationship
1.	Mr. G.S Kandoi (MD)	Mr. Manish Singhal –Son
2.	Mr. Manish Singhal (Executive Director)	Mr. G.S Kandoi –Father

Except as details above, other Directors do not have any relationship with each other.



(B) Board Level Committees:

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

1. Audit Committee
2. Remuneration Committee
3. Investors' Grievance Committee
4. Share Transfer Committee
5. Finance Committee

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

The Audit Committee, as on 31st March 2014 consisted of the following three director:-

Chairman:- Mr. Nitin Jaipuria
Members:- Mr. Rameshwar Pareek
Mr. Kamlesh Sharma

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

The audit committee met five times during the financial year 2013-14 on 27.05.2013, 14.08.2013, 14.11.2013, 13.02.2014 and 07.03.14 All the members of committee have attended all the five meetings. Audit Committee meetings are attended by Chief Executive Officer, Senior Executives of Accounts Department. The minutes of the meetings of the Audit Committee are placed before the Board for their information and confirmation.

REMUNERATION COMMITTEE:-

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

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

Chairman:- Mr. Kamlesh sharma
Members:- Mr. Rameshwar Pareek
Mr. Nitin Jaipuria

Details of remuneration paid to Executive Directors and relatives of directors for the year as approved by the Remuneration Committee are as under:

1. Mr. G. S. Kandoi	Rs. 36.00 Lacs
2. Mr. Manish Singhal	Rs. 36.00 Lacs
3. Mr. Ramesh Chand Maheshwari	Rs. 3.60 Lacs
4. Mrs. Prity Singhal	Rs. 24.00 Lacs.

Investors' Grievance & Share Transfer Committees:

The Committee comprised of Mr. Ramesh Chand Maheshwari -Chairman, Mr. G. S. Kandoi & Mr. Manish Singhal-Members. Information's relating to Shareholders\Investors complaints are regularly placed before the committee. No complaints received during the year, hence no any pendency for disposal as on 31.03.2014.

The Company Secretary of the Company acts as a Compliance Officer of the Company.

The minutes of the meetings of the Committee are placed before the Board for their information and confirmation.

FINANCE COMMITTEE:

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

Chairman - Mr. G. S. Kandoi
Members - Mr. Manish Singhal
Mr. Ramesh Chand Maheshwari



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 (subject to compliances u/s 372 A of Companies Act, 1956).
3. Review of banking arrangement and taking all necessary actions connected therewith including refinancing for optimization of borrowing costs (subject to overall limit of borrowing).
4. Review of the Company's financial policies, strategies and capital structure.
5. Review of Term loan/working capital and cash flow management.
6. Consider viability for issuance of new modes of securities including foreign funds subject to laws applicable.
7. Advise on financial matters/policies in overall interest of Company.

The minutes of the meetings of the Committee are placed before the Board for their information and confirmation.

(C) CODE OF CONDUCT: All Directors and Senior Management Personnel of the Company have affirmed compliance with the provisions of the code of conduct for the financial year ended on March 31, 2013.

(D) CEO / CFO Certificate: Certificate from CEO / CFO for the financial year ended on March 31, 2014 has been provided elsewhere in the Annual Report.

(E) DISCLOSURES : Related party transactions as per AS-18 have been dealt with in note no. 3.1 of Financial Statement. These transactions are not in conflict with the interest of Company.

1. The Stock exchanges or The Securities and Exchange Board of India (SEBI) or any statutory authority on any matter related to capital markets have not imposed any strictures /penalties on the Company during the last three years.
2. The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with clause 7 of Annexure1D to clause 49 of the Listing Agreement with the stock exchange, for employees to report concerns about unethical behavior. No personnel have been denied access to the audit Committee.

(I) MEANS OF COMMUNICATION

The annual, half-yearly and quarterly results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and published in newspapers accordingly i.e. The Financial Express & Khabron Ki Dunia. The company will also take necessary steps to display various disclosures / information on its website in due course.

The Management Discussions and Analysis Report forms part of this Annual Report and is captioned "Management Discussion and Analysis" in Directors' Report

GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Date : 27th day of September,2014
 Time : 10.30 A.M
 Place : C-171, Road No 9J, VKI Area, Jaipur.

b. Book Closure Date : 23rd day of September to 27th Day of Sept.,2014 (Both days inclusive)

c. Financial Calendar : Tentative Schedule for financial results is as under:

Particulars	Tentative Schedule
Financial Results for the 1 st Quarter ending June 30,2014	Before Mid August 2014
Financial Results for the 2nd Quarter and half year ending September 30,2014	Before Mid November 2014
Financial Results for the 3rd Quarter and nine months ending December 31,2014	Before Mid February 2015
Financial Results for the last Quarter and financial year ending March 31,2015	End of May 2015



- d. **Dividend** : No dividend being recommended by the Board.
- e. **Listing** : Shares of the Company are listed on Bombay Stock Exchange. The Stock code no. is 531609 and Listing Fees for the year upto Financial year 2014-15 has been paid.
- f. **Demat** : The Company has signed agreement with **NSDL** and **CDSL** for dematerialization of shares. ISIN No. of the Company for dematerialization of equity shares is INE902G01016 and 81.67% of issued share capitals of the Company have been dematerialized as on 31.3.2014.
- g. **Registrar & Share Transfer Agent** : M/s Niche Technologies Pvt. Ltd.,
D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata- 700 001
- h. **Share Transfer System/ Listing** : The Company's shares are traded in the Bombay Stock Exchange in compulsory Demat mode. Physical shares, which are lodged for transfer, are processed at Niche Technologies Private Limited (RTA) and returned to the shareholders within 30 days from the date of receipt subject to documents being valid and complete in all respects.
- i. **Location of works :**
- Textile Division** : SP4/3, RIICO Industrial Area, Vill & Post: Keswana, Tehsil: Kotputli, Distt: Jaipur-303108
- Garment & Agency Division** : C-171, Road No. 9J, VKI Area, Jaipur
- j. **Details of last three AGM/EOGM**

Year	Venue	Date	Time	Special Resolution passed*
2014 EOGM	C-171, Road No. 9J, V.K.I. Area, Jaipur- 302013	07.04.2014	10.30 A.M	One
2013- 33 rd	C-171, Road No. 9J, V.K.I. Area, Jaipur- 302013	29.07.2013	10.00A. M	Four
2012- 32 nd	C-171, Road No. 9J, V.K.I. Area, Jaipur- 302013	25.07.2012	10.30 A.M	Five
2011 – 31 st	C-171, Road No. 9J, V.K.I. Area, Jaipur- 302013	29.09.2011	11.00 A.M	Nil

*During the year under review the Company has not passed any Resolution through Postal Ballot

**k. Distribution of shareholding as on 31st March 2014**

No. of Share Holders	Shareholders %	Number of Shares	No. of Shares Held	Shareholding Percentage
129	49.43	1 - 500	42097	0.81
88	33.72	501 - 1000	77894	1.49
17	6.51	1001 - 5000	40093	0.77
4	1.53	5001 - 10000	33700	0.64
8	3.06	10001 - 50000	253375	4.85
3	1.15	50001 -100000	157100	3.01
12	4.60	100001 & above	4616741	88.43
261	100.00		5221000	100.00

l. Category wise Distribution of shareholding by ownership as on 31.03.2014

Category	Number of Shares	Shareholding Percentage
Promoters	3375417	64.65
Corporate Bodies	303315	5.81
Indian Public		
(a)Individual	1537975	29.46
(b)Others	4293	0.08
TOTAL	5221000	100.00

m. Market Price Data: Monthly high and low prices of the equity shares of the company traded at BSE is given below.

Months	BSE Limited		
	High (₹)	Low (₹)	Volume (No.)
May 2013	9.11	9.00	5500
June 2013	9.00	9.00	50
July 2013	9.00	9.00	100
Sep 2013	9.40	9.40	50
Nov 2013	9.45	9.00	15410
Dec 2013	9.78	8.70	101476
Jan 2014	15.44	9.99	71310
Feb 2014	26.25	16.20	1832
Mar 2014	33.55	26.75	6536

There were no any transaction during the month of April, August and October 2013. (Sources: This information is compiled from the data available from the websites of BSE)



n Investor Correspondence:

The Shareholders may address their communication to the Registrar and Share Transfer Agent at their address mentioned above or to the Company Secretary, C-171, Road No. 9 J, VKI Area, Jaipur-302013.

- o.** Correspondence Address: C-171, Road No. 9J, VKI Area, Jaipur-302013

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS
AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the company has adopted a code of conduct for its board members and senior management of the company.

We confirm that the company has in respect of the financial year ended March 31, 2014, received from the members of the Board and senior management team of the company a declaration of compliance with the Code of Conduct as applicable to them.

Place: **JAIPUR**
Date : **10th July, 2014**

(G. S. Kandoi)
Managing Director

(Manish Singhal)
Director

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND FINANCIAL OFFICER (CFO)

As required under Clause 49 of the listing agreement with the stock exchange, the undersigned hereby confirm the followings:

1. We have reviewed the financial statement and the cash flow statement for the year ended 31st March, 2014 and that to the best of our knowledge and belief.
 - These statements do not contain any materially untrue statement not omit any material fact not contain statements that might be misleading;
 - These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There, are, to the best of our knowledge and belief, no transaction entered into by the company during the year, which are fraudulent, illegal or violates of the company's code of conduct;
3. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify the identified deficiencies;
4. We have informed the auditors and the audit committee of:
 - i. Significant changes in internal control for financial reporting during the year
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, and
 - iii. There have been no instances of significant fraud of which we have become aware.

Place: **JAIPUR**
Date : **10th July, 2014**

(Manish Singhal)
CFO

(G. S. Kandoi)
CEO



AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE:

To,

The Members,
KG Petrochem Ltd.

We have examined the compliance of conditions of corporate governance by KG Petrochem Ltd. for the year ended on 31st March 2014 as stipulated in clause 49 of the listing agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance in the responsibility of the management; our examination was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above-mentioned listing agreement.

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

For R. Sogani & Associates
Chartered Accountants
FRN 018755C

Place : **JAIPUR.**
Date : **10th July, 2014**

(BHARAT SONKHIYA)
Partner
(M. No. 403023)



INDEPENDENT AUDITOR'S REPORT

To,
The Members of
KG Petrochem Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **KG Petrochem Ltd.** ('the Company') which comprises the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Cash Flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

- a) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- b) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the annexure a statement on the matter specified in paragraph 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
 - e) On the basis of written representations received from the Directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For R Sogani & Associates
Chartered Accountants
FRN 018755C

(CA Rakesh Kedia)
Partner
M. No. 074620

Place: Jaipur
Date: 30/05/2014



ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE

As required by the Companies (Auditor's report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we report that:

- 1 In respect of its fixed assets:
 - (A) The Company has prepared records showing full particulars, including quantitative details and situation of fixed assets as explained by the Management.
 - (B) As explained to us, all the fixed assets have been physically verified by the management during the year at reasonable intervals, which in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - (C) In our opinion, the Company has not disposed off any substantial/major part of its fixed assets during the year, hence, the going concern status of the Company is not affected.
- 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. In our opinion, the frequency of verification is reasonable.
 - (B) In our opinion and according to the information and explanations given to us, the procedures followed by the management for physical verification of inventory are reasonable and adequate in relation to size of the Company and the nature of its business.
 - (C) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company has maintained proper records of inventory. And, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- 3 In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - (A) According to the information and explanations given to us, the Company has not granted any loans, secured and unsecured, to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (B) Long term unsecured loans taken from persons covered in the register maintained under section 301 of the Companies Act, 1956 amounting to Rs. 299.23 lacs outstanding at the year end and the maximum amount involved is Rs. 535.57 lacs.
 - (C) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been taken from the parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
 - (D) According to the information and explanations given to us, no stipulation has been made for the repayment of principal amount and interest in respect of loans taken from the parties listed in the register maintained under section 301 of the Companies Act, 1956.
- 4 In our opinion and according to the information and explanations given to us, there exists adequate internal control procedure commensurate with the size of the Company and nature of its business with regard to purchase of inventory and fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system of the Company.
- 5 In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956:
 - (A) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (B) In our opinion and according to explanations given to us, the transactions exceeding the value of Rs. Five lacs in respect of any party during the year have been made at prices which are prima-facie reasonable having regard to prevailing market prices at the relevant time where such prices are available.
- 6 According to the information and explanations given to us, the Company has not accepted deposits from the public during the year.
- 7 In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business which needs to be strengthened.
- 8 We have broadly reviewed the accounts and records maintained by the company pursuant to the Rules made by the central Government for the maintenance of cost records under section 209(1)(d) of the companies Act, 1956 and we are of the opinion that prima-facie the prescribed accounts and records have been made and maintained. However, we have not made detailed examination of the records with a view to determine whether they are accurate and complete.
- 9 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 applicable to it.
- (B) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty and Excise Duty were in arrears as at the end of the financial year for a period of more than six months from the date they became payable.
- (C) According to the information and explanations given to us, there are no dues of Sales tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Service Tax and Cess which have not been deposited on account of any dispute except the following:

Statement on Disputed Dues

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

- 10 The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during current and the immediately preceding financial year.
- 11 Based on our audit procedures and on the basis of information and explanations given by the management, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders during the year.
- 12 In our opinion and according to information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the Company is not a Chit Fund/Nidhi or Mutual Benefit Fund/Society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- 14 The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- 15 In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16 In our opinion and according to information and explanation given to us, the term loans have been applied for the purpose for which they were raised.
- 17 According to the information and explanations given to us and on overall examination of Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- 18 According to the information and explanation given to us, the Company has not made any preferential allotment of shares to any party during this year.
- 19 According to the information and explanation given to us, the Company has not issued debentures.
- 20 The Company has not raised any monies by way of any public issues during the year.
- 21 According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For R Sogani & Associates
Chartered Accountants
FRN 018755C

(CA Rakesh Kedia)
Partner
M. No. 074620

Place: Jaipur
Date: 30/05/2014

KG PETROCHEM LIMITED, JAIPUR
CIN: L24117RJ1980PLC001999



BALANCE SHEET AS AT 31ST MARCH 2014

(Amount in ₹ 000)

Particulars	Note No.	As at	
		31st March 2014	31st March 2013
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
a) Share Capital	2.1	58,152.50	58,152.50
b) Reserves & Surplus	2.2	249,969.38	183,431.15
		308,121.88	241,583.65
<u>Non-Current Liabilities</u>			
a) Long Term Borrowings	2.3	350,705.43	222,493.90
b) Deferred Tax Liability (Net)	2.4	42,215.97	39,531.67
		392,921.40	262,025.57
<u>Current Liabilities</u>			
a) Short Term Borrowings	2.5	355,719.27	301,967.00
b) Trade Payable	2.6	85,194.86	56,823.93
c) Other Current Liabilities	2.7	150,385.40	190,864.15
d) Short Term Provisions	2.8	-	1,880.94
		591,299.53	551,536.02
		1,292,342.81	1,055,145.24
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
a) Fixed Assets			
(i) Tangible Assets	2.9	629,812.63	467,239.58
(ii) Capital Work-in-Progress	-	70,405.41	-
b) Long Term Loans and Advances	2.10	21,345.86	12,979.24
		721,563.90	480,218.82
<u>Current Assets</u>			
a) Inventories	2.11	190,287.19	199,711.91
b) Trade Receivables	2.12	256,683.07	307,937.09
c) Cash and Bank Balances	2.13	18,268.58	2,722.03
d) Short Term Loans and Advances	2.14	7,619.86	2,567.64
e) Other Current Assets	2.15	97,920.21	61,987.75
		570,778.91	574,926.42
		1,292,342.81	1,055,145.24
Contingent Liabilities	2.16		
Significant Accounting Policies and Notes on Financial Statements	1 to 3		

In terms of our Audit Report of even date :
FOR R SOGANI & ASSOCIATES
Chartered Accountants
FRN: 018755C

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

(CA RAKESH KEDIA)
Partner
M. No. 074620

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

(RAMESH CHAND MAHESHWARI)
Director
DIN: 00091429

Place : JAIPUR
Date : 30.05.2014

(VIMAL TANK)
Company Secretary
M.No. A-22370



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2014

(Amount in ₹ 000)

PARTICULARS	NOTE No.	Current Year 31st March 2014	Previous Year 31st March 2013
Revenue from operations	2.17		
Sale of Product & Services		1,388,563.21	1,164,456.79
Other Operating Revenue		121,932.04	65,237.32
		<u>1,510,495.25</u>	<u>1,229,694.11</u>
Less: Excise duty		-	15,661.47
Revenue From Operations (Net)		1,510,495.25	1,214,032.64
Other Income	2.18	<u>26,506.45</u>	<u>29,857.30</u>
Total Revenue		1,537,001.70	1,243,889.94
Expenses :			
Cost of Materials consumed	2.19	794,221.56	655,750.32
Change in inventory of Finished Goods and Work in Progress	2.20	19,016.03	16,235.07
Manufacturing Expenses	2.21	227,421.87	206,935.85
Employees Benefits Expenses	2.22	175,492.49	105,336.78
Finance Costs	2.23	57,743.98	59,497.28
Depreciation	2.09	74,549.38	70,137.97
Other Expenses	2.24	90,805.67	82,474.90
		<u>1,439,250.98</u>	<u>1,196,368.17</u>
Profit Before Exceptional & Extraordinary items and tax		97,750.72	47,521.76
Withdrawal from Capital Reserve (refer note no.2.2 : Reserve & Surplus)		1,982.81	1,671.33
Profit before Tax		<u>99,733.53</u>	<u>49,193.09</u>
Tax Expenses :			
Current Tax		27,946.58	17,348.51
Deferred Tax		2,684.30	(1,634.88)
Earlier Year Tax		581.61	128.33
		<u>31,212.50</u>	<u>15,841.96</u>
Profit For The Year after Tax		68,521.03	33,351.13
Earning per Equity Shares:	2.25		
1. Basic		13.12	6.39
2. Diluted		13.12	6.39
Significant Accounting Policies and Notes on Financial Statements	1 to 3		

In terms of our Audit Report of even date :
FOR R SOGANI & ASSOCIATES
Chartered Accountants
FRN: 018755C

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

(CA RAKESH KEDIA)
Partner
M. No. 074620

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

(RAMESH CHAND MAHESHWARI)
Director
DIN: 00091429

Place : JAIPUR
Date : 30.05.2014

(VIMAL TANK)
Company Secretary
M.No. A-22370

KG PETROCHEM LIMITED
CIN: L24117RJ1980PLC001999



CASH FLOW STATEMENT FOR THE YEAR 2013-14 (Amount in Rs. 000)

PARTICULARS	CURRENT YEAR 2013-14		CURRENT YEAR 2012-13	
	DETAILS	AMOUNT	DETAILS	AMOUNT
	A) CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax as Per Profit & Loss A/c	99733.53		49193.11	
Adjusted for :-				
Interest paid	57743.98		59497.28	
Interest received	(21276.84)		(15594.59)	
Rent Income	(4698.88)		(4437.03)	
Loss/(Profit) on Sale\written off of Fixed Assets	0.00		3181.52	
Withdrawal from capital reserve	(1982.81)		(1671.33)	
Depreciation	74549.38		70137.97	
Operating Profit before Working Capital Changes	204068.36		160306.94	
Adjusted for:-				
Increase /(Decrease) in Trade Payables	28370.93		28545.25	
Increase/(Decrease) in Other Current Liabilities	(31113.59)		40247.17	
(Increase) / Decrease in Inventory	9424.72		(2553.28)	
(Increase) / Decrease in Trade Receivables	51254.01		(136116.16)	
(Increase) / Decrease in Loans and Advances	(13418.84)		(7619.61)	
(Increase) / Decrease in Other current assets	(41409.15)		(17200.60)	
Cash Generated From Operations	207176.45		65609.70	
Net Cash used in Operating Activities Before Extraordinary Items	207176.45		65609.70	
Less:- Extraordinary Items	0.00		0.00	
Cash Generated From Operations	207176.45		65609.70	
Less:- Taxes Paid	(24932.43)		(8089.82)	
Net Cash Flow/(used)From Operating Activities		182244.02		57519.88
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(237122.43)		(53291.00)	
(Increase)/decrease to CWIP	(70405.41)		361.88	
Proceeds From Sales/written off of Fixed Assets	-		107.60	
Rent Income	4698.88		4437.03	
Net Cash Flow/(used) in Investing Activities		(302828.96)		(48384.48)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Procurement of Borrowings	234859.43		101382.02	
Repayment of Borrowings	(62260.79)		(69608.37)	
Interest received	21276.84		15594.59	
Capital Subsidy under TUF	-		4062.16	
Interest paid	(57743.98)		(59497.28)	
Net Cash Flow/(used) From Financing Activities		136131.49		(8066.88)
Net Increase/(Decrease) in Cash and Cash Equivalent		15546.55		1068.52
Opening balance of Cash and Cash Equivalent		2722.03		1653.51
Closing balance of Cash and Cash Equivalent		18268.58		2722.03

NOTE : Cash and Cash Equivalent consists of following:-

	Rs.	Rs.
Cash on hand	416.74	220.50
Balances with Banks	17851.84	2501.53
Closing balance of Cash and Cash Equivalent	18268.58	2722.03

In terms of our audit report of even date

For **R SOGANI & ASSOCIATES**

Chartered Accountants

FRN: 018755C

(CA RAKESH KEDIA)

Partner

M. No. 074620

(G. S. KANDOI)

Chairman Cum Managing Director

DIN:00120330

(RAMESH CHAND MAHESHWARI)

Director

DIN: 00091429

(VIMAL TANK)

Company Secretary

M.No. A-22370

Place : **JAIPUR**

Dated: 30.05.2014



KG PETROCHEM LIMITED
CIN: L24117RJ1980PLC001999

OVERVIEW

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

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

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

1) SIGNIFICANT ACCOUNTING POLICIES

1.1 System of Accounting and use of estimates

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

1.2 Valuation of Inventories (AS-2)

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

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

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

1.3 Cash Flow Statement (AS-3)

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

1.4 Depreciation (AS-6)

Depreciation on fixed assets is provided for on straight line method in accordance with the provisions of Section 205(2) (b) of the Companies Act, 1956. Depreciation on additions/disposals during the year is provided on pro-rata basis.

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

1.5 Revenue Recognition (AS-9)

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

Duty Drawback Scheme are accounted for in the year of export at FOB value.

Import Licence under DEPB Scheme and Focus Product Scheme are accounted for at net realisable value on accrual basis.

1.6 Fixed Assets (AS-10)

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

1.7 Foreign Currency Transaction (AS-11)

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

(ii) Monetary items denominated in foreign currency at the year end and not covered by forward exchange contracts are translated at the year end rates and those covered by forward contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of



transaction such difference having been recognised over the life of the contract. Foreign exchange financial instruments in hand at the year end are valued mark to market.

Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit & Loss.

1.8 Government Grants (AS-12)

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

1.9 Employee retirement benefits (AS-15)

(i) Short - term Employee Benefits:-

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

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

(ii) Post-employment Benefits:-

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

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

1.10 Borrowing Cost (AS-16)

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

1.11 Earning Per Share (AS-20)

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

1.12 Taxes on Income (AS-22)

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

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

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

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

1.13 Impairment of assets (AS-28)

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

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

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but disclosed in the notes.

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

2) Notes On Accounts

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


NOTE NO 2.1: SHARE CAPITAL

(Amount in ₹ 000)

	As at 31st March 2014	As at 31st March 2013
Authorised :		
70,00,000 (Previous Year 70,00,000) Equity Shares of Rs.10/- each	70,000.00	70,000.00
Issued & Subscribed		
63,35,200 (Previous Year 63,35,200) Equity shares of Rs.10 each/-	63,352.00	63,352.00
Paid Up		
52,21,000 (Previous Year 52,21,000) Equity Shares of Rs.10/-each fully paid	52,210.00	52,210.00
Forefeited Equity Shares		
11,14,200 (Previous Year 11,14,200) Equity Shares	5,942.50	5,942.50
Total	58,152.50	58,152.50

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

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

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

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

Reconciliation of the number of shares outstanding :-

	As at 31st March 2014 No of shares	As at 31st March 2013 No of shares
At the beginning of the year	6,335,200	6,335,200
Add: Issued during the year	-	-
Less: Brought Back during the year	-	-
At the end of the year	6,335,200	6,335,200

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

Name of Shareholder	As at 31st March 2014		As at 31st March 2013	
	No. of Shares held	Percentage of holding	No. of Shares held	Percentage of holding
Mr. Manish Singhal	1,002,310	19.20%	903,310	15.11%
Mr. Gauri Shanker Kandoi	1,063,507	20.73%	1,002,730	17.32%
Mrs. Savitri Kandoi	420,500	8.05%	420,494	7.68%
M/s. Manish Singhal-HUF	340,000	6.51%	340,000	6.51%
M/s. Baldevdas Gauri Shanker Kandoi- HUF	330,400	6.33%	330,400	5.80%

NOTE NO. 2.2: RESERVES & SURPLUS

(Amount in ₹ 000)

	As at 31st March 2014	As at 31st March 2013
a) Capital Reserve -Capital Subsidy (Under TUF Scheme)		
At the beginning of the year	11,808.44	9,417.60
Add; Additions during the year	-	4,062.16
Less: withdrawals/transfer	1,982.81	1,671.33
Balance at the year end	9,825.63	11,808.43
b) General Reserve		
At the beginning of the year	3,646.60	3,646.60
Add; Additions during the year	-	-
Less: withdrawals/transfer	-	-
Balance at the year end	3,646.60	3,646.60
c) Surplus		
At the beginning of the year	167,976.12	134,624.98
Add; Additions during the year	68,521.03	33,351.14
Less: withdrawals/transfer	-	-
Balance at the year end	236,497.15	167,976.12
Total	249,969.38	183,431.15



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

ii) As mentioned above the Company has availed Capital Subsidy forming part of cost of process Machinery. Proportionate amount of such capital subsidy is being withdraw from Capital Reserve (Capital Subsidy) equal to relative depreciation. During the year Rs.1982.81 (Previous year Rs.1671.33) has been withdrawn from Capital Subsidy.

NOTE NO. 2.3 : LONG TERM BORROWINGS

(Amount in ₹ 000)

	As at 31st March 2014		As at 31st March 2013
Term Loan			
Secured			
From Bank			
1. State Bank of Bikaner & Jaipur			
Term Loan I	-	18,488.97	
Term Loan II	-	4,888.19	
Term Loan III	180,456.63	214,837.50	
(Repayment in 21 Quarterly installments)			
Term Loan IV	25,053.61	29,272.74	
(Repayment in 24 Quarterly installments)			
Term Loan V	42,490.73	16,233.66	
(Repayment in 32 Quarterly installments starting from June 2014)			
Term Loan VI	766.37	1,050.00	
(Repayment in 5 Quarterly installments)			
Term Loan VII	4,581.00	-	
(Repayment in 32 Quarterly installments starting from June 2016)			
Corporate Loan	30,000.00	-	
(Repayment in 32 Quarterly installments starting from June 2014)			
Vehicle Loan	545.80	-	
(Repayment in 60 Monthly installments)			
2. State Bank of India			
Term Loan	119,723.29	-	
(Repayment in 32 Quarterly installments starting from Nov 2015)			
Total	403,617.43	284,771.05	
Less : Current maturities of long term borrowings	52,912.00	350,705.43	62,277.16
			222,493.90
Total	350,705.43		222,493.90

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

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

NOTE NO. 2.4 : DEFERRED TAX LIABILITIES

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

(Amount in ₹ 000)

	As at 31st March 2014		As at 31st March 2013
Major components of deferred tax balances			
Deferred Tax Liabilities			
Difference between accounting and tax depreciation	42,215.97		39,531.67
Deferred Tax Assets			
Unabsorbed Depreciation	-		-
Net Deferred Tax Liabilities	42,215.97		39,531.67

Net current deferred tax liability of Rs. 2684.30 (Previous year Rs. 1634.88) has been debited\ credited) to Statement of Profit & Loss besides current tax of Rs.27946.58 (Previous year Rs. 17348.51) as per Income Tax Act, 1961.


NOTE NO. 2.5 : SHORT TERM BORROWINGS

(Amount in ₹ 000)

	As at 31st March 2014	As at 31st March 2013
Loan payable on demand from Banks :		
Secured		
Bank of Baroda		
a. Cash Credit Account	-	103.85
b. Packing Credit Limit	-	4,154.69
State Bank of Bikaner & Jaipur (SBBJ)		
a. Cash Credit Account	93,811.51	47,175.79
b. Bill Purchase Limit under L/c	11,053.63	50,958.60
c. FCNR (B) Loan	-	27,194.65
d. Packing Credit Limit	238,840.62	169,900.90
State Bank of India		
a. Bill Purchase Limit Under L/c	12,013.51	2,478.52
Total	355,719.27	301,967.00

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

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

NOTE NO. 2.6 : TRADE PAYABLE

(Amount in ₹ 000)

	As at 31st March 2014	As at 31st March 2013
For Goods		
-Micro, Small & Medium Enterprises*	-	-
-Others	85,194.86	56,823.93
Total	85,194.86	56,823.93

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

NOTE NO. 2.7 :- OTHER CURRENT LIABILITIES

(Amount in ₹ 000)

	As at 31st March 2014	As at 31st March 2013
a) Current maturities of long term borrowings (refer Note No. 2.3)	52,912.00	62,277.16
b) Statutory Liabilities	5,778.91	5,123.39
c) Liabilities for expenses	43,495.01	32,327.48
d) Advance from Customers	16,792.11	14,007.34
e) Security Deposit	1,483.70	1,483.70
f) Current Account	29,923.67	75,645.08
Total	150,385.40	190,864.15

NOTE NO. 2.8 : SHORT TERM PROVISIONS

(Amount in ₹ 000)

	As at 31st March 2014	As at 31st March 2013
Provision for Income Tax	27,946.58	17,348.51
Less : Mat Credit Entitlement	5,610.83	7,506.08
Less: Advance Tax (As per contra)	22,335.75	7,961.49
	-	1,880.94
Total	-	1,880.94

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

Nature of Provision	Provision outstanding at the beginning of the year	Provision made during the year	Short Provision charged to Statement of Profit and Loss	Provision utilized during the year	Provision outstanding at the end of the year
Provision for Taxation	17,348.51	27,946.58	581.61	17,930.13	27,946.58

NOTE NO. 2.9 FIXED ASSETS

KG PETROCHEM LIMITED



S.No.	Description	[-----GROSS BLOCK-----]				[-----D E P R E C I A T I O N-----]				[-----NET BLOCK-----]		
		Opening balance As on 01.04.2013	Purchases / Additions during the year	Sales / Adjustments during the year	Total Cost As At 31.03.2014	Up to 31.03.2013	for the period	Written back	Reversed	Up to 31.03.2014	As At 31.03.2014	As At 31.03.2013
	TANGIBLE ASSETS :											
1	Land- Leasehold	6,686.55	28,174.30		34,860.86	-	-	-	-	-	34,860.86	6,686.55
2	Factory Building	88,899.11	58,964.24		147,863.35	16,380.17	3,012.40	-	-	19,392.56	128,470.79	72,517.95
3	Staff & Labour Quarters	5,080.00	-		5,080.00	83.03	82.80	-	-	165.83	4,914.17	4,996.97
4	Plant & Machinery	656,363.45	142,565.23		798,928.69	308,742.50	68,348.17	-	-	377,090.67	421,838.02	347,620.95
5	Weighing Scale	87.81	-		87.81	62.79	4.17	-	-	66.96	20.85	25.02
6	Misc. Fixed Assets	10,560.94	594.36		11,155.30	2,154.82	506.25	-	-	2,661.07	8,494.23	8,406.12
7	Lab Equipment	1,444.49	256.65		1,701.14	338.48	74.25	-	-	412.73	1,288.41	1,106.02
8	Elect. & Water Fitting	19,206.46	3,855.77		23,062.23	5,466.63	913.31	-	-	6,379.94	16,682.29	13,739.83
9	DG Set	1,749.95	-		1,749.95	508.55	83.12	-	-	591.68	1,158.27	1,241.40
10	Weighbridge	608.54	640.80		1,249.35	210.74	37.76	-	-	248.50	1,000.85	397.81
11	Furniture & Fixtures	6,180.70	1,041.12		7,221.83	2,582.64	599.26	-	-	3,181.90	4,039.93	3,598.07
12	Vehicles	5,653.12	640.00		6,293.12	2,036.75	537.97	-	-	2,574.72	3,718.40	3,616.38
13	Office Equipment	1,932.26	91.40		2,023.66	529.71	94.18	-	-	623.88	1,399.78	1,402.55
14	Computer	2,883.92	295.96		3,179.87	2,087.72	219.46	-	-	2,307.18	872.69	796.19
14	IT Equipments	1,294.78	-		1,294.78	1,230.04	-	-	-	1,230.04	64.74	64.74
15	Office Building	820.70	-		820.70	97.52	13.38	-	-	110.90	709.80	723.18
16	Canteen Appliances	185.95	2.60		188.55	34.52	11.20	-	-	45.72	142.83	151.43
17	Medical Equipments	-	-		-	-	-	-	-	-	-	-
18	Fire Fighting Equipment	17.39	-		17.39	0.25	0.83	-	-	1.08	16.31	17.13
19	A.C. Equipments	229.07	-		229.07	98.78	10.88	-	-	109.66	119.41	130.29
	TOTAL	809,886.21	237,122.43	-	1,047,007.65	342.65	74.55	-	-	417,195.02	629,812.63	467,239.58
	PREVIOUS YEAR	763,129.10	53,291.00	6,534.88	809.89	275,753.43	70,137.97	3,245.76	-	342.65	467,239.57	487,375.67


NOTE NO 2.10 : LONG TERM LOAN & ADVANCES
(Amount in ₹ 000)

	As at 31st March 2014	As at 31st March 2013
Unsecured and considered good		
a) Security Deposits	10,577.79	9,897.85
b) Prepaid Expenses	-	101.39
c) Capital Advances	10,768.07	2,980.00
Total	21,345.86	12,979.24

NOTE NO. 2.11 INVENTORIES
(Amount in ₹ 000)

	As at 31st March 2014	As at 31st March 2013
Raw Material	32,817.12	30,633.57
Work In process	108,471.49	87,084.75
Finished Goods		
Towel	5,521.14	45,936.47
Waste	28.81	16.25
Stores & Spares and Consumables	25,828.03	22,491.03
Dyes & Chemicals	15,014.04	11,253.10
Packing Material	2,606.56	2,296.74
Total	190,287.19	199,711.91

NOTE NO. 2.12 : TRADE RECEIVABLES
(Amount in ₹ 000)

	As at 31st March 2014	As at 31st March 2013
UNSECURED & CONSIDERED GOOD		
Exceeding six months	830.35	2,518.74
Others	255,852.72	305,418.35
Total	256,683.07	307,937.09

NOTE NO. 2.13 : CASH & BANK BALANCES
(Amount in ₹ 000)

	As at 31st March 2014	As at 31st March 2013
Bank Balance		
- In Current Account and Deposit Account	16,380.52	913.48
- In Fixed Deposit Account*	1,471.32	1,588.05
Cash on Hand	416.74	220.50
Total	18,268.58	2,722.03

*Margin against Bank Guarantee of Rs.28000.00 (Previous year Rs 30000.00) issued by State Bank of Bikaner & Jaipur for a period less than 12 months

NOTE NO. 2.14 : SHORT TERM LOANS & ADVANCES
(Amount in ₹ 000)

	As at 31st March 2014	As at 31st March 2013
Unsecured & considered good		
a) Advances recoverable in cash or in kind or for value to be received	7,410.28	2,531.42
b) Advances to Employees & Workers	209.58	36.22
Total	7,619.86	2,567.64

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

	As at 31st March 2014	As at 31st March 2013
Unsecured & considered good		
Prepaid Expenses	913.99	728.74
Less : Transfer to long term loan & advances (refer note no. 2.10)	913.99	101.39
Income Tax Refundable	32.44	32.44
Advance Income Tax and TDS	27,331.62	7,961.49
Less: Provision for Current Tax (As Per Contra)	22,335.75	7,961.49
Vat Refundable	13,133.48	13,367.67
Excise & Service Tax Receivable	218.76	901.87
Excise & Service Tax (Under Protest)	178.02	178.02
Input Tax Credit	639.71	355.62
Employee Group Gratuity Fund	3,172.83	-
Interest Receivable Under TUF Scheme	19,391.56	6,080.60
Receivables Against Export	54,925.53	34,375.57
Accrued Interest	318.02	-
MAT Credit (as per Provisions of Income Tax Act, 1961)	5,610.83	6,068.42
Less:Mat Credit Utilized (Contra)	5,610.83	-
Total	97,920.21	61,987.76



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

Contingent liabilities not provided in respect of:

Gaurantees given by the bank Rs.28000.00 (Previous year Rs. 30000.00) for which Company has provided Counter Gaurantee to bank and also secured by the securities as mentioned in Note No. 2.3 Long Term Borrowings.

Disputed excise duty of Rs. 243.19 (Previous year Rs. 243.19) for the period F.Y. 2001-02 to 2004-05 (Upto Feb.05) for which appeal is pending before CESTAT

Disputed Service Tax of Rs. 3375.73 (Previous year Rs. 3375.73) for the year 2005-06 to 2008-09 for which appeal is pending before CESTAT.

Estimated cost of contract remaining to be executed on capital account Rs. 290693.62 (Previous year nil).

NOTE NO. 2.17: REVENUE FROM OPERATIONS

(Amount in ₹ 000)

	Current Year	Previous Year
(a) Sale of Products:		
Woven Sacks	-	4,131.06
Terry Towels (Net)	1,377,260.33	1,151,635.02
Garment Division	-	18.46
	1,377,260.33	1,155,784.54
(b) Sale of Services:		
Commission Income	10,011.48	7,720.58
Processing Charges	1,291.40	951.67
	11,302.88	8,672.25
(c) Other Operating Revenues:		
Duty Drawback	78,727.08	49,700.73
Import Licences (DEPB/FPS/MLFPS)	43,204.96	15,536.59
	121,932.04	65,237.32
Total	1,510,495.25	1,229,694.11

NOTE NO. 2.18: OTHER INCOME

(Amount in ₹ 000)

	Current Year	Previous year
Interest Income	21,276.83	15,594.59
Other non-operating income :		
Foreign Exchange Gain	-	9,649.94
Godown Rent	4,698.88	4,437.03
Sampling Charges	-	121.35
Other Miscellaneous income	530.74	54.39
	5,229.62	14,262.71
Total	26,506.45	29,857.30

NOTE NO. 2.19 : COST OF MATERIALS CONSUMED

(Amount in ₹ 000)

	Current Year	Previous year
Raw Material Consumed		
Opening Stock	30,633.57	19,044.44
Add: Purchases	688,217.73	577,623.52
Commission on Purchase	-	372.32
Freight	62.57	143.19
	718,913.87	597,183.46
Less: Closing Stock	32,817.13	30,633.57
	686,096.74	566,549.89
Dyes & Chemicals Consumed		
Opening Stock	11,253.10	11,651.98
Add: Purchases	110,703.56	86,774.98
Freight	1,182.20	2,026.58
	123,138.86	100,453.54
Less: Closing Stock	15,014.04	11,253.11
	108,124.82	89,200.43
	794,221.56	655,750.32



NOTE NO. 2.20 : CHANGE IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

(Amount in ₹ 000)

		Current Year		Previous year
Finished Goods (Towel)				
Closing	5,521.13		45,936.46	
Opening	45,936.46	(40,415.33)	59,615.44	(13,678.98)
Work in progress				
Closing	108,471.49		87,084.75	
Opening	87,084.75	21,386.74	89,490.71	(2,405.96)
Saleable Waste				
Closing	28.81		16.25	
Opening	16.25	12.56	166.38	(150.13)
Total		(19,016.03)		(16,235.07)

NOTE NO. 2.21 : MANUFACTURING EXPENSES

(Amount in ₹ 000)

	Current Year	Previous year
Consumable Stores	41,178.95	27,290.46
Job Charges	12,674.25	22,412.16
Packing Material	31,826.51	19,647.53
Power & Fuel	102,014.23	99,092.88
Repairs & Maintenance- Building	1,402.62	843.56
Repairs & Maintenance- Plant & Machinery	3,950.48	3,935.54
Stores & Spares	22,864.31	20,543.85
Other Manufacturing Expenses	11,510.52	13,169.87
Total	227,421.87	206,935.85

NOTE NO. 2.22: EMPLOYEES BENEFITS EXPENSES

(Amount in ₹ 000)

	Current Year	Previous year
Salaries & Wages	161,012.04	94,735.96
Contribution to		
Provident Fund	556.72	439.07
ESIC	161.04	89.20
Gratuity	3,705.43	3,179.25
Staff welfare Expenses	10,057.26	6,893.30
Total	175,492.49	105,336.78

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

- Defined Contribution Plan : Employer's contribution to provident fund provided Rs. 556.72 (Previous year Rs. 439.07) has been recognized as expenses for the year.
- Defined Benefit Plan : Present value of gratuity is determined based on actuarial valuation using the projected unit credit method.


Actuarial Valuation

Particulars	(Amount in ₹ 000)	
	Current Year	Previous Year
PV of Past Service Benefit	3567.12	2504.52
Current Seervice Cost	3317.55	1320.57
Total Service Gratuity	124916.87	48952.16
Accrued Gratuity	4513.48	3179.24
LCSA	97775.88	4320.00
LC Premium	150.18	10.87
Service Tax	18.56	1.34

Recommended Contribution Rate

Particulars	(Amount in ₹ 000)	
	Current Year	Previous Year
Fund Value as on renewal date/Initial Contribution	4087.29	2504.52
Additional Contribution for existing fund	0.00	0.00
Current Service Cost	2797.38	1320.57
Total Amount Payable	2966.12	3837.30

Actuarial Assumptions

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

NOTE NO. 2.23: FINANCE COST

(Amount in ₹ 000)

	Current Year	Previous year
a) Interest Expenses	49,216.45	56,769.64
b) Other Borrowing Costs	8,527.53	2,727.64
Total	57,743.98	59,497.28

NOTE NO. 2.24 :OTHER EXPENSES

(Amount in ₹ 000)

	Current Year	Previous year
Insurance	745.62	524.14
Rent	290.44	274.44
Clearing & Forwarding Charges	32,381.35	24,635.27
Commission on sale	34,715.20	34,048.38
Payment to Auditors		
- As Auditor	90.00	90.00
Miscellaneous Expenses	22,583.06	22,902.67
Total	90,805.67	82,474.90

NOTE NO. 2.25 : EARNING PER SHARE

Particulars	Unit	Current Year	Previous year
a) Amount used as the numerator profit after tax, dividend on preference shares and tax thereon	Rs. In Lacs	68521.03	33351.13
b) Weighted average number of equity shares used As the denominator in computing basic Earning Per Share	Nos	5221000	5221000
c) Nominal Value per share	Rs.	10	10
d) Earning per share			
Basic	Rs.	13.12	6.39
Diluted	Rs.	13.12	6.39



3) OTHER NOTES

3.1 Related party Disclosure (AS-18)

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

Relationship:

a) Key Management Personnel and their enterprises

Shri G.S Kandoi
Shri Manish Singhal
Shri Ramesh Chand Maheshwari

b) Relative of Key Management Personnel and their enterprises

1. Shri Vivek Singhal
a) Chrome International Co Ltd
b) Bhavish Infravest& Developers Pvt Ltd
2. Shri Baldevdas Gauri Shanker HUF
3. Smt. Savitri Kandoi
4. Smt. Prity Singhal
5. Shri Manish Singhal HUF

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

(Amount in ₹ 000)

Nature of Transaction	Related Party			
	Referred in 1(a) above		Referred in 1(b) above	
	Current Year	Previous year	Current Year	Previous year
Expenses				
Salary	7,560.00	5,024.40	2,400.00	1,200.00
Interest	3,656.11	3,160.05	1,125.59	3,415.48
Loan Payable as on 31.03.2014	29,637.40	38,727.89	286.28	35,695.68
Rent Recd	-	-	40.00	-
Goods purchased	-	-	34,068.12	-

3.2 Export obligation against EPCG License Rs.552694.72 (Previous year Rs 68260.82) is outstanding as on 31.3.2014.

3.3 The company is engaged mainly in textile business and it has no Geographical Segment. Thus disclosure under As-17 segment reporting is not required.

3.4 Accounting Standard 28- "Impairment of Assets"-

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

3.5 Financial and Derivatives Instruments

Company has entered into following foreign exchange financial instruments

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

Outstanding forward exchange financial instruments entered into by the company.

(Amount in ₹ 000)

Particulars	As at 31.03.2014	As at 31.03.2013
No. of contracts	4	5
US Dollar	1,350.00	783.11
Euro	-	165.60
INR equivalent	86,605.00	54,160.84

3.6 Value of Imports on CIF basis:-

(Amount in ₹ 000)

Particular	Current Year	Previous year
Spare parts & consumables	11644.50	9814.66
Capital Goods	84584.83	33617.86



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

(Amount in ₹ 000)

Particular	Current Year		Previous year	
	Amount	%	Amount	%
Raw material				
Imported	-	-	-	-
Indigenous	794.22	100.00	655.75	100.00
Spare parts				
Imported	4775.24	20.89	3858.93	18.78
Indigenous	18089.07	79.11	16684.92	81.22

3.8 Expenses in foreign currency in respect of

(Amount in ₹ 000)

Particulars	Current year	Previous year
Travelling	46.00	958.87
Commission	23473.22	26594.14
Marketing/ Exhibition Exp.	1458.35	2218.16
Subscription Fees	-	27.67
Testing Fee	83.79	19.51

3.9 Earning in Foreign Currency

(Amount in ₹ 000)

Particulars	Current year	Previous year
Export of Goods on FOB Basis	1083535.76	709564.75

3.10 All assets and liabilities are presented as Current and Non current as per the criteria set out in the Revised Schedule VI of The Companies Act 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the company has ascertained its operating cycle less than 12 months, accordingly 12 months period has been considered for the purpose of Current/ Non-current classification of assets and liabilities.

In terms of our Audit Report of even date

FOR R SOGANI & ASSOCIATES
Chartered Accountants
FRN: 018755C

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

(CA RAKESH KEDIA)
Partner
M. No. 074620

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

(RAMESH CHAND MAHESHWARI)
Director
DIN: 00091429

Place : **JAIPUR**
Dated: **30.05.2014**

(VIMAL TANK)
Company Secretary
M.No. A-22370

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: gsk@bhavik.biz

(34th Annual General Meeting- 27th September 2014)

ATTENDANCE SLIP

I hereby record my presence at the 34th Annual General Meeting of the Company held on Saturday, 27th day of September, 2014 at 10.30 A.M at C-171, Road No 9J, VKI Area, Jaipur 302013, Rajasthan.

Full name of the member (In BLOCK LETTERS)

Folio No. DP ID No. Client ID No

Full name of the Proxy (In BLOCK LETTERS)

Member/ Proxy(s) Signature

Note:

1. 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.
2. Electronic copy of the Annual Report for the financial year ended on 31.3.2014 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxi 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.
3. Physical copy of the Annual Report for 2014 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.

ELECTRONIC VOTING PARTICULARS

EVSN	USER ID	PASSWORD
140814012	Please Refer Note No. 14 in the Notice of the AGM	

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: gsk@bhavik.biz

PROXY FORM FORM NO MGT-11

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

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

- Name Address
E-Mail Id SignatureOr failing him
- Name Address
E-Mail Id SignatureOr failing him
- Name Address
E-Mail Id SignatureOr failing him

As my our proxy to attend and vote (on a poll) for me/us on my/our behalf at the AGM of the Company, to be held on Saturday, 27th September 2014 at 10.30AM at C-171, Road No 9J-VKI Area, Jaipur -302013, Rajasthan and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolution	For	Against
1.	Adoption of Audited Financial Statement of the company for the year ended 31.03.2014 together with the report of the Board of Directors and Auditors.		
2.	Re-appointment of Shri Ramesh Chand Maheshwari, who retires by rotation.		
3.	Appointment of R. Sogani & Associates. Chartered Accountant as auditors of the company		
4.	Appointment of Mrs. Savitri Kandoi as Director		
5.	Appointment of Shri Nitin Jaipuria as an Independent Director		
6.	Appointment of Shri Raj Kumar Agarwal as an Independent Director		
7.	Appointment of Shri Kamlesh Sharma as an Independent Director		
8.	Appointment of Shri Rameshwar Pareek as an Independent Director		
9.	Appointment of Shri Gauri Shankar Kandoi as Managing Director and approval of his remuneration		
10.	Appointment of Shri Manish Singhal as Whole Time Director and approval of his remuneration		
11.	Appointment of Shri Ramesh Chand Maheshwari as Whole Time Director and approval of his remuneration		
12.	Adoption of new Articles of Association of the Company		

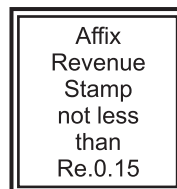
Signed this day of..... 2014

Signature of shareholder.....

Signature of Proxy holder(s) (1).....

Signature of Proxy holder(s) (2).....




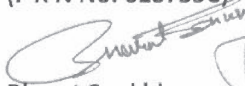
Signature of Proxy holder(s) (3).....



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.

FORM B

(Pursuant to Clause 31(a) of Listing Agreement)

No.	Particulars	Details
1.	Name of the Company	K G Petrochem Ltd.
2.	Annual standalone financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	NIL
4.	Frequency of observation	N.A
5.	<p>To be Signed by:</p> <p>1. Managing Director</p> <p>2. Executive Vice President — Corporate Affairs & CFO</p> <p>3. Audit Committee Chairman</p> <p>4. Auditor of the Comapny</p>	<p>Mr. G.S. Kandoi </p> <p>Mr. Shiv Ratan Sharma </p> <p>Mr. Nitin Jaipuria </p> <p>M/s R Sogani & Associates Chartered Accountants C-Scheme, Jaipur-302015 (F R N No. 018755C)</p> <p> Bharat Sonkhiya Partner (M No. 403023)</p> 