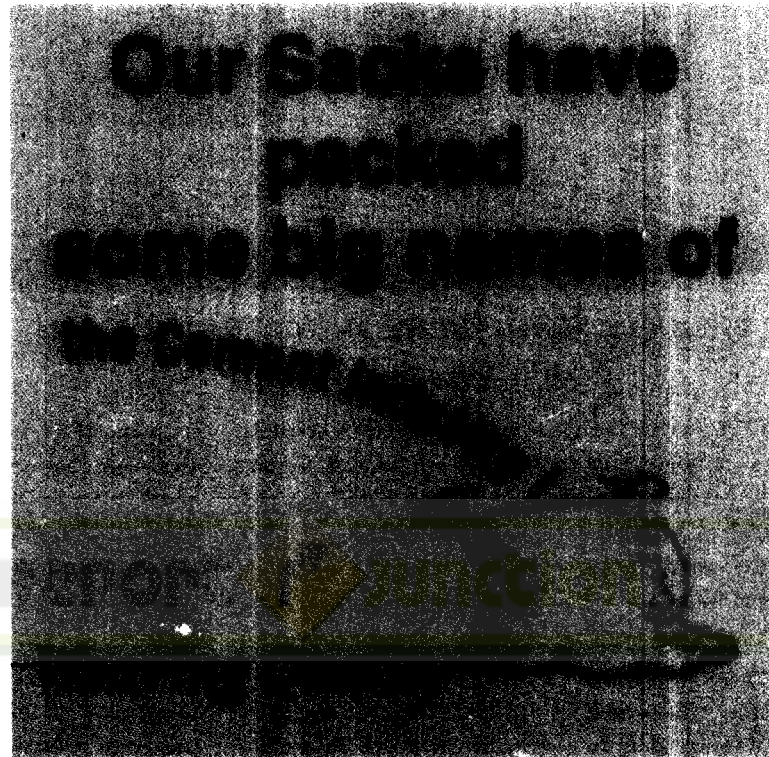




## 23<sup>rd</sup> ANNUAL REPORT 2002-2003



## KG PETROCHEM LIMITED

**Regd. Off. & Works :** C - 171 , ROAD NO. 9J, V.K.I. AREA , JAIPUR - 302013 ( INDIA )  
**Ph.:** 0141-2331231, 2331251, 2331281 **Fax :** 2332845 **email :** [kgplcid@datainfosys.net](mailto:kgplcid@datainfosys.net)



## *Quality healthcare now available at C-Scheme, Jaipur*

The Apollo Clinic, C-Scheme, is more than just another Clinic.



Step inside and you'll be struck by its attention to detail. The warm, cheerful interiors are in soothing contrast to the cold, clinical ambience people expect. This Pleasant, Non-

hospital like ambience as well as the well trained staff ensure your comfort right from the moment you walk in.

The Clinic offers Consultation Services with leading specialists, Comprehensive Diagnostic Services, a range of preventive Health Check-Ups and a well-stocked 24-hour Pharmacy. It

has some of the best doctors, technology and equipment all working towards getting you back in good health. More importantly, all these services come to you at a reasonable price.

For information or to schedule an appointment, call our Customer Care Executive at 5102000

Experience the difference.



**Board of Directors**

SHRI G.S.KANDOI, CHAIRMAN  
 SHRI YATINDRA SINGH (Retd. IAS)  
 SHRI R.J. MAJITHIA (Retd. IAS)  
 SHRI VIVEK SINGHAL  
 SHRI A.S. PATANI  
 SHRI MANISH SINGHAL, Managing Director

**Bankers**

BANK OF BARODA  
 V. K. I. Area, Jaipur

**Auditors**

M/s A.R. VIJAY & Co.  
 Chartered Accountants,  
 202, Navjeevan Chambers,  
 M. I. Road, Jaipur

**Secretarial consultant**

M/s. V.M. & Associates  
 Company Secretaries  
 309, Samod Tower  
 S.C. Road, JAIPUR

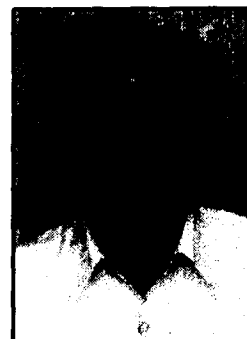
**Depository Registrar & Share Transfer Agent**  
**Registered Office / Investors' Service Centre**

Niche Technologies Pvt. Ltd.  
 C - 444, Bagree Market,  
 71, BRBB Road, Kolkata- 700001

**Listing**

JAIPUR STOCK EXCHANGE LTD.  
 THE STOCK EXCHANGE, MUMBAI  
 THE STOCK EXCHANGE, AHMEDABAD  
 THE DELHI STOCK EXCHANGE ASSOCIATION LTD.

**Registered Office & Works : C-171, Road No. 9J, Vishwakarma Ind.Area, Jaipur 302 013.**



**Dear Shareholder,**

It gives me Immense pleasure to brief you about the year goneby. The year of 2002-03 was an eventful year for your company. It was a year when the economic landscape of India and the global language of business were emphatically redefined. It was a year when fortitude, foresight and flexibility yet again proved to be prime ingredients for an acceptable future. The turnover as well as Net Profit have increased during the current financial year.

Overall it has been an exciting year of opportunities and challenges. Your company is, also, well poised to take on the next set of challenges and move closer to its vision of becoming a successful corporation. The company has already embarked upon diversification into health care, real estate activities. I am pleased to confirm about the arrangement with Apollo Health and Lifestyle (Apollo Hospitals) Limited to commence "The Apollo Clinic" very soon in the Pink City. I am confident that will result into a successful business proposition for all of us. Your Company has also done very well in the segment Agency Division GAIL (India) Ltd.

#### **CLIENT RELATIONSHIP**

We have taken steps to increase expertise in clients' business domains to provide effective business solutions. We have enhanced our focus on retail domains, leading to constant client wins. We are constantly striving for offering better, competitive and faster services to our customers.

#### **LEADERSHIP FOR FUTURE**

A successful company, focussed on long-term sustenance, grooms effective leaders who can take business opportunities and steer the organisation towards its vision. Over the last fiscal year the company has strengthened its roots significantly and provided developmental inputs to the company's high potential employees.

#### **INCREASING COMPETITION**

We at KG PETROCHEM recognise that the only lasting competitive advantage is higher and higher quality at affordable cost. Therefore, we are continuously focussing on the details that make for the quality and manufacturing process. We are concentrating on the quantum increase in the productivity and throughout as well as vendor improvements so as to reduce costs.



KG PERTOCHEM has been around long enough to see many ups and downs. After its successful turnaround from 2001-02, I am confident that your company will deal with tomorrow's competition at least as well as, if not better, than others.

### **A BETTER FUTURE**

Let me end by reiterating my views on future competition.

In the coming years, India will be a large and attractive market for all international players. It is important to remember that most of them have deep pockets, and if past experience is an indicator, they are more willing to take hits for a long time to establish a strong market presence.

At every step in our journey, we are committed to build complete value propositions for our customers, enhanced return on capital employed and create significant value for our shareholders.

We acknowledge the contribution and team-spirit of the employees of the company, whose dedication, hardwork and personal commitment make this journey exciting and rewarding.

Let me thank you for your constant support to KG PETROCHEM. Here's to an even better 2003-04. As always we look forward to your feedback and suggestions to improve your company.

Place : Jaipur

**(G.S. Kandel)**

Date : 29<sup>th</sup> July, 2003

Chairman



## NOTICE

NOTICE is hereby given that the 23<sup>rd</sup> Annual General Meeting of the members of KG PETROCHEM LIMITED will be held on Friday the 19<sup>th</sup> day of September, 2003 at 11.00 a.m. at the Registered Office of the company at C-171, Road No. 93, VKI Area, Jaipur to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 and Profit and Loss account for the year ended on that date, together with the report of the Directors and the Auditors thereon.
2. To appoint a director in place of Shri Vivek Singhal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Shri A.S. Patani who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

### **SPECIAL BUSINESS:**

5. 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 applicable provisions of the Companies Act, 1956 and of Articles of Association, the Company hereby approves of the appointment of Shri G.S. Kandoi as Chairman of the Company, for the period of 5 years starting from 05/09/2003 and upto 04/09/2008, liable to retire by rotation.
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:  
 "RESOLVED THAT the Company do apply for voluntary delisting of the equity shares of the Company from Delhi, Ahmedabad and Jaipur Stock Exchange Ltd., subject to the equity shares of the Company remaining listed on a stock exchange, having nationwide trading terminal, i.e., The Stock Exchange, Mumbai as referred to in regulation 5 of The Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, and further subject to other compliances and clearances as stipulated under the said guidelines.  
 RESOLVED FURTHER THAT Shri G.S. Kandoi, Chairman and Shri Vivek Singhal, Director be and are hereby authorised jointly and severally to take all such steps as may be necessary, proper or expedient to give effect to this resolution."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:  
 "RESOLVED THAT pursuant to sections 198, 269, 309, 310, 314 and other applicable provisions, if any, of the Companies Act, 1956 and Articles of Association of the Company, Shri Vivek Singhal, designated as Chief Executive Officer (CEO) of the Company's Agency Division and Health Care Division, be paid remuneration for the remaining tenure of his appointment, as may be confirmed by the Board of Directors,





subject to maximum of Rs.50,000/- per month inclusive of perquisites with further power to Board to change the terms and conditions of appointment as and when it deems fit in the best interest of the Company.

FURTHER RESOLVED THAT the board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 372A of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to all such consents, sanctions and approvals of such authorities including that of the Central Government, as may be necessary in that behalf, to make investments, subscription, purchase or otherwise / provide loan, security to / give guarantee for an amount not exceeding Rs.5.00 Crores (Rupees Five Crores Only), in the aggregate, in UMA BUILDSTATE PRIVATE LIMITED, on such terms and conditions as the Board of Directors may deem proper, from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do, perform and execute all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and all matters connected therewith or incidental thereto and to settle any question, difficulties or doubts that may arise in relation to the foregoing or otherwise howsoever in relation to this Resolution."

9. To announce the result of the Postal Ballot in respect of special resolution u/s 372A of the Companies Act, 1956 for approval of inter-corporate loans, guarantees, securities, etc.

For & on behalf of the Board

Sd/-

Place : Jaipur

(G.S. Kandoi)

Date : 29<sup>th</sup> July, 2003

Chairman

**NOTES:**

1. The relative explanatory statement pursuant to Sec. 173(2) of the Companies Act, 1956 is annexed here to.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The register of members and the Share Transfer Books of the company will remain close from 15<sup>th</sup> September, 2003 to 19<sup>th</sup> September, 2003 (both days inclusive).
4. Members are requested to notify change of address, if any, to the company.
5. 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 meeting.
6. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of Annual Report to the meeting.
7. 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.
8. As per the provisions of the Companies Act, 1956 for making nomination is now available to the shareholders in respect of the shares held by them. Nomination form can be obtained from the share Registrars of the Company.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No.5**

In view of the standing and experience of Shri G.S. Kandoi in the industry, it is proposed that he be re-appointed as Chairman of the Company for a further period of 5 years.

The said resolution is proposed to be passed as an Ordinary Resolution.

Sh. Manish Singhal, Sh. Vivek Singhal and Sh. G.S. Kandoi deemed to be interested in the passing of the above resolution.

**Item No.6**

The equity shares of the Company are listed on the Delhi, Ahmedabad, Jaipur and Mumbai Stock exchanges. The Company has paid the listing fees to all these stock exchanges upto 2002-03.

Based on The Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, it is open for the Company to voluntarily delist securities from Delhi, Ahmedabad





and Jaipur Stock Exchanges, and further, the securities of the Company shall continue to remain listed on a stock exchange having nation-wide trading terminals, i.e. The Stock Exchange, Mumbai.

There has been no trading of the Company's equity shares in all Stock Exchanges for considerable length of time. As the Company's equity shares has been mandated by SEBI for compulsory trading in demat form by all investors and BSE have trading terminals in various cities according to the investors convenient access to trade and deal in the Company's equity shares across the country, it is proposed to delist the equity shares of the Company from Delhi, Ahmedabad and Jaipur Stock Exchanges.

None of the Director of the Company is concerned or interested in the Resolution.

The Board recommends the resolution for approval of members.

#### **Item No.7**

Shri Vivek Singhal was appointed as the Chief Executive Officer (CEO) of the Company's Agency Division w.e.f. 1st June, 2000 at a remuneration of Rs.15,000/- per month, for a period of 5 years at the Annual General Meeting of the Company held on 28<sup>th</sup> August, 2000. In view of the performance of the Company's Agency Division under his leadership, and was also appointed as the Chief Executive Officer (CEO) of the Company's Health Care Division, during the year, the Board of Directors is pleased to recommend, increase in remuneration of Shri Vivek Singhal, within which the Board may fix such salary from time to time during the remaining tenure, subject to maximum of Rs.50,000/- per month inclusive of perquisites with further power to Board to change the terms and conditions of appointment as and when it deems fit in the best interest of the Company, as per the provisions of Sec. 198, 269, 309, 314 and other applicable provisions, if any of the Companies Act, 1956.

None of the Directors of the Company other than Shri Vivek Singhal, himself, Shri G.S. Kandoi and Shri Manish Singhal, being relatives of Shri Vivek Singhal, deemed to be interested in this resolution of the above resolution.

The notice read with Explanatory Statement may be treated as an abstract of the variation in the terms of remuneration to Shri Vivek Singhal as required to be circulated under section 302 of the Companies Act, 1956.

#### **Item No.8**

Pursuant to Section 372A of the Companies Act, 1956 the Company may make loans, give guarantees, provide securities to make investments in the securities of other bodies corporate to the extent of 60% of its paid-up share capital and free reserves or 100% of its free reserves, whichever is higher, with the approval of the Board of Directors. Where the aggregate of loans and investments made, guarantees given and securities provided exceeds the aforesaid limits, prior approval of the shareholders is required by way of Special Resolution.

In terms of the Company's policy of pursuing acquisitions and other strategic investments to



diversify its industry presence and broaden its portfolio of business activities, your directors are of the view that it will require investments in excess of the limits set out under section 372A of the Companies Act, 1956 and hence require the approval of the shareholders. Further, section 192A of Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, as amended from time to time requires the passing of resolution under section 372A of the Companies Act, 1956 by way of Postal Ballot only and as such notice is given thereunder.

The above investments, loans, guarantees, securities, etc. will be made out of internal accruals and / or borrowings.

The matter is therefore recommended for member's approval.

Shri G.S. Kandoi, Shri Vivek Singhal and Shri Manish Singhal shall be concerned or deemed to be interested in the passing of the above resolution.

Place : Jaipur

Date : 29<sup>th</sup> July, 2003

For & on behalf of the Board

Sd/-

(G.S. Kandoi)

Chairman

#### **BRIEF PROFILE OF DIRECTORS AS PER CLAUSE 49 OF LISTING AGREEMENT**

Particulars	Shri Vivek Singhal	Shri A.S. Patani	Shri G.S. Kandoi
Date of Birth & Age	26.05.1969 (34 yrs.)	28.09.1969 (34 yrs.)	17.11.1943 (60 yrs.)
Appointed on	23.06.1993	01.01.1994	05.09.2003
Qualification	B.E. (Mech.) & MBA (USA)	B.A. & PGDCA	B.E. (Mech.)
Expertise in specific functional areas	Management	Marketing	Management & Finance
Directorship held in other companies	Chrome International Co. Ltd. Uma Buildestate Pvt. Ltd.	-	Chrome International Co. Ltd. Uma Buildestate (P.) Ltd.