

## **33<sup>rd</sup> ANNUAL REPORT 2012-2013**



*..... a touch of luxury, style and softness*

# **KG PETROCHEM LIMITED**

REGD. OFF. : C-171, ROAD NO. 9J, V.K.I. AREA, JAIPUR-302 013 (INDIA)

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## BOARD OF DIRECTORS

(AS ON 17th JUNE 2013)

Mr. G.S. Kandoi	: Chairman cum Managing Director
Mr. Manish Singhal	: Executive Director
Mrs. Prity Singhal	: Executive Director
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 additional Director

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### MANAGEMENT EXECUTIVE

Mr. Vimal Tank  
Company Secretary & Compliance Officer

### BANKER

STATE BANK OF BIKANER & JAIPUR,  
BANK OF BARODA, JAIPUR  
STATE BANK OF INDIA, JAIPUR

### AUDITORS

M/S. P.C Modi & Co.  
Chartered Accountants  
R-20, Yudhister Marg, C-Scheme, Jaipur-302005

### CORPORATE ADVISOR

MR. SANJAY KUMAR JAIN  
Company Secretary in Practice,  
208, 2nd Floor, "Milestone", Gandhi Nagar Turn,  
Tonk Road, Jaipur -302015

### 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 33rd Annual General Meeting of your Company.

Looking back at the last twelve months, it is pleasing to report you that we delivered on our commitments, despite of major economics witnessed slower growth and the Euro-zone was full of uncertainty. We are delighted to see our revenue from operation achieving a milestone of ₹12140.32 lacs in FY 2012-13 as against ₹ 9704.62 lacs in FY 2011-12, an increase of 25.10% on a year on year basis. KGPL also achieved its record level of export (FOB) at ₹7095.65 lacs as against ₹4921.15 lacs in FY 2011-12, thus increased by 44.19 %. Profit after tax was ₹333.51 lacs as against ₹250.87 lacs in previous year. These good results were fuelled by the remarkable acceptance of our product in overseas as well as in domestic market.

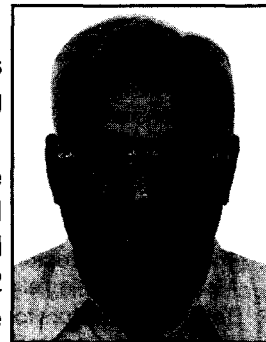
The company continued its efforts in developing new market and acquiring new clients which lead to exponential growth in both domestic and export markets. Looking at the market scenario and demand of printed bed sheet and towel in overseas market, your company has decided for expansion of its Textile Division. Further your company had approached to RIICO Ltd for allotment of additional land for further expansion.

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 am grateful to the Board of Directors for their unwavering support and guidance. I take this opportunity to express my gratitude to all our shareholders, who have reposed trust in us and extended their constant support.

With best wishes

**G.S. KANDOI**

Chairman



## **NOTICE**

Notice is hereby given that the 33rd Annual General Meeting of **KG PETROCHEM LIMITED** will be held on Monday, the 29th day of July, 2013 at 10.00 A.M at Registered Office of the company situated at C-171, Road No. 9J, VKI Area, Jaipur-302 013 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Statement of Profit & Loss for the year ended on that date, together with the report of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Nitin Jaipuria, who retires by rotation in this Annual General Meeting and being eligible, offer himself for re-appointment.
3. To appoint a director in place of Mr. Rameshwar Pareek, who retires by rotation in this Annual General Meeting and being eligible, offer himself for re-appointment
4. 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 M/s. P.C Modi & Co. Chartered Accountants, Jaipur from whom certificate pursuant to section 224(I-B) of the Companies Act, 1956 has been received be and are hereby appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Audit Committee/Board of Directors of the company.

### **SPECIAL BUSINESS:**

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

Resolved that in partial modification of the resolution passed and ratified by the share holders in Annual General Meeting held on 25.07.2012 and in accordance with the provision of section 198, 309, 310, and other applicable provisions, if any of the Companies Act, 1956, read with Schedule XIII of the Companies Act, 1956 (including any statutory reenactment thereof ) and subject to such other approvals as may be necessary, for the time being in force, as amended from time to time the consent be and is here by accorded to the payment of the enhanced remuneration to Mr. G.S Kandoi Chairman Cum Managing Director, of the company of ₹ 3,00,000 per month with effect from 01.04.2013 and other terms and condition as approved in the meeting of Remuneration Committee.

6. **To consider and If thought fit, to pass with or without modification(s), the following resolution as Special Resolution:**

"Resolved that in partial modification of the resolution passed and ratified by the share holders in Annual General Meeting held on 25.07.2012 and in accordance with the provision of Section 198, 309, 310, and other applicable provisions, if any of the Companies Act, 1956, read with Schedule XIII of the Companies Act, 1956 (including any statutory reenactment thereof ) and subject to such other approvals as may be necessary, for the time being in force, as amended from time to time the consent be and is here by accorded to the payment of the enhanced remuneration to Mr. Manish Singhal, Executive Director of the company of ₹ 3,00,000 per month with effect from 01.04.2013 and other terms and condition as approved in the meeting of Remuneration Committee

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

"Resolved that in partial modification of the resolution passed and ratified by the share holders in Annual General Meeting held on 29.09.2011 and in accordance with the provision of Section 198, 309, 310, and other applicable provisions, if any of the Companies Act, 1956, read with schedule XIII of the Companies Act, 1956 (including any statutory reenactment thereof ) and subject to such other approvals as may be necessary, for the time being in force, as amended from time to time the consent be and is here by accorded to the payment of the enhanced remuneration to Mr. Ramesh Chand Maheswari Whole Time Director of the company of ₹ 30,000 per month with effect from 01.04.2013 and other terms and condition as approved in the meeting of Remuneration Committee

8. **To consider and if thought fit, to pass with or without modification(s), the following resolution as special resolution.**

"Resolved that pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory reenactment thereof ) and subject to such other approvals as may be necessary, for the time being in force, the consent be and is here by accorded to the payment of the enhanced remuneration from ₹ 1,00,000/- per month to ₹2,00,000/- per month, to Mrs. Prity Singhal, (Relatives of Mr. Manish Singhal, Executive Director and Mr. G.S Kandoi. Chairman cum Managing Director) Chief

Executive Officer of the Mantika Gartex a unit of the company with effect from 01.04.2013 and other terms and condition as approved by Remuneration Committee."

**9. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution.**

" Resolved that Mrs. Prity Singhal, who was appointed as an additional director in the meeting of Board of Directors of the company held on 17.06.2013, pursuant to Section 260 of the Companies Act, 1956 read with Article 77(b) of Article of Association of the company and who holds office upto date of Annual General Meeting and in respect of whom company has received notice in writing under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mrs. Prity Singhal as a candidate for the office of the director of the company, be and is here by appointed as director of the company liable to retire by rotation.

**10. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution.**

" Resolved that Mr. Raj Kumar Agarwal, who was appointed as an additional director in the meeting of Board of Directors of the company held on 17.06.2013, pursuant to Section 260 of the Companies Act, 1956 read with Article 77(b) of Article of Association of the company and who holds office up to date of Annual General Meeting and in respect of whom company has received notice in writing under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mr. Raj Kumar Agarwal as a candidate for the office of the director of the company, be and is here by appointed as director of the company liable to retire by rotation.

**11. To consider and if through fit, to pass with or without modification(s), the following resolution as on ordinary resolution:**

"RESOLVED THAT in accordance with provisions of Sections 198, 269, 309, 310, 311 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) read with Schedule XIII thereof, the company hereby approves the appointment of Mrs. Prity Singhal, Executive Director of the Company with effect from 17.06.2013 as per gist of terms and conditions submitted to this meeting and for identification, which agreement, be and is hereby specially approved.

For & on behalf of the Board

Place: JAIPUR  
Date : 17th June, 2013

(G.S Kandoi)  
Chairman Cum Managing Director

**NOTES :**

- 1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself. A proxy need not be a member of the company. The Instrument appointing a Proxy in order to be effective should however be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. The Register of Members & Share Transfer Book of the company will remain closed from 24th July 2013 to 29th July, 2013 (both days inclusive).
3. Members are requested to notify change of address, if any, to the company.
4. 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.
5. 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.
6. 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.
7. As per the provisions of the Companies Act, 1956 facility for making nomination is now available to the shareholders in respect of the shares held by them. Nomination form can be obtained from the Registrar & Transfer Agent of the company.

For & on behalf of the Board

Place: JAIPUR  
Date : 17th June, 2013

(G.S Kandoi)  
Chairman Cum Managing Director

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173 OF THE COMPANIES ACT, 1956

#### Item No.5

As Members in their Annual General Meeting held on 25.07.2012 has approved the re-appointment of Mr. G.S. Kandoi as Chairman Cum Managing Director of the company for the period of three years. Mr. G.S. Kandoi has steered the company towards leadership position with strong focus on technology, innovation, process, re-engineering, and expansion. Further considering the inflationary trend and the substantially increase in the business activities of the company resulting the increase in the workload & responsibilities of CMD and also the amount of remuneration payable to other similar position officials in other companies, the Remuneration Committee had decided to increase the remuneration of Mr. G.S. Kandoi from Rupees Two Lac to Rupees Three Lac per month w.e.f. 01.04.2013 for the remaining period of his tenure of appointment. The proposed remuneration is within the limit of Schedule XIII of Companies Act, 1956, and other terms and condition as approved by the remuneration committee.

Further in accordance with provisions of Section 302 of the Companies Act 1956, abovesaid may kindly be treated as abstract of the terms of the agreement as referred to above.

Your directors recommend the resolution for your approval. No other director except Mr. G.S.Kandoi himself and Mr. Manish Singhal (being son) and Mrs. Prity Singhal (Being daughter-in-law ) are interested in the resolution.

#### Item No.6:

As members in their Annual General Meeting held on 25.07.2012 has approved the re-appointment of Mr. Manish Singhal, Executive Director of the company for three years. He is having vast experience in the field of Management and Marketing and steered the business of the company towards a leading organization in Textile Sector. Mr. Manish Singhal provided their admirable service to the company and considering the inflationary trend and the substantially increase in the business activities of the company resulting the increase in the workload & responsibilities of Executive Director and also the amount of remuneration payable to other similar position officials in other companies, the Remuneration Committee had decided to increase the remuneration of Mr. Manish Singhal from Rupees Two Lac to Rupees Three Lac per month w.e.f.01.04.2013 for the remaining period of his tenure of appointment. The proposed remuneration is within the limit of Schedule XIII of Companies Act, 1956, and other terms and condition as approved by the remuneration committee.

Further in accordance with provisions of Section 302 of the Companies Act 1956, abovesaid may kindly be treated as abstract of the terms of the agreement as referred to above.

Your directors recommend the resolution for your approval.

No other director except Mr. Manish Singhal himself and Mr. G.S. Kandoi, (being father of Mr. Manish Singhal) and Mrs. Prity Singhal (being wife of Mr. Manish Singhal) are interested in the resolution.

#### Item No.7:

As members in their Annual General Meeting held on 29.09.2011 has approved the appointment of Mr. Ramesh Chand Maheswari, Whole Time Director of the company for three years. He is working with our organization from last so many Years. He is having vast experience in the filed of Marketing. He is looking all over business of company's Agency Division. considering the inflationary trend and the substantially increase in the business activities of the company resulting the increase in the workload & responsibilities of whole time Director and also the amount of remuneration payable to other similar position officials in other companies, the Remuneration Committee had decided to increase the remuneration of Mr.Ramesh Chand Maheshwari from Rupees 18,700/- to Rupees 30,000/- per month w.e.f.01.04.2013 for the remaining period of his tenure appointment. The proposed remuneration is within the limit of schedule XIII of Companies Act, 1956, and other terms and condition as approved by the remuneration committee.

Further in accordance with provisions of Section 302 of the Companies Act 1956, abovesaid may kindly be treated as abstract of the terms of the agreement as referred to above.

Your directors recommend the resolution for your approval.

No other director except Mr. Ramesh Chand Maheswari himself is interested in the resolution.

**Item No. 8**

The Special Resolution relates to payment of the enhanced remuneration of ₹200,000 per month to Mrs. Prity Singhal, (Relatives of Mr. Manish Singhal, Executive Director and Mr. G.S Kandoi. Chairman cum Managing Director) Chief Executive officer of Mantika Gartex with effect from 01.04.2013 and other terms and condition as approved by Remuneration Committee.

Further in accordance with provisions of Section 302 of the Companies Act 1956, abovesaid may kindly be treated as abstract of the terms of the agreement as referred to above.

Your directors recommend the resolution for your approval.

In view of the facts stated above and also as stated in the resolution, the special resolution is being placed for your approval. None of the Directors except Mr. G.S Kandoi and Mr. Manish Singhal and Mr. Prity Singhal are concerned or interested in the said resolution.

**Item No. 9**

Mrs. Prity Singhal has been appointed as an additional director effective from 17th June,2013 pursuant to Section 260 of the Companies Act,1956, read with Article 77 of Article of Association of the company, and she holds office up to the date of 33rd Annual General Meeting of the company as provided under the said article but is eligible for appointment in terms of Section 257 of Companies Act,1956. The company has received a notice in writing along with deposit of ₹ 500/- from a member signifying the intention to propose the candidature of Mrs. Prity Singhal for the office of the Director.

The Directors considered that it will be in the interest of the company to continue to have Mrs.Prity Singhal as a director liable to retire by rotation

Further in accordance with provisions of Section 302 of the Companies Act 1956, above said may kindly be treated as abstract of the terms of the agreement as referred to above.

The board of Directors recommends the passing of the resolution as set out a item no. 9 of the company accompanying notice for appointment of the said director

No other director except Mr. G.S Kandoi and Mr. Manish Singhal and Mrs. Prity Singhal are concerned or interested in the said resolution.

**Item No. 10.**

Mr. Raj Kumar Agarwal has been appointed as an additional director effective from 17th June,2013 pursuant to Section 260 of the Companies Act,1956, read with Article 77 of Article of Association of the company, and he holds office up to the date of 33rd Annual General Meeting of the company as provided under the said article but is eligible for appointment in terms of Section 257 of Companies Act,1956. The company has received a notice in writing along with deposit of Rs. 500/- from a member signifying the intention to propose the candidature of Mr. Raj Kumar Agarwal for the office of the Director.

Further in accordance with provisions of Section 302 of the Companies Act 1956, above said may kindly be treated as abstract of the terms of the agreement as referred to above.

The Director recommends the adoption of the resolution at item no. 10 of the notice. as director liable to retire by rotation.

No other director except Mr. Raj Kumar Agarwal himself is interested in the resolution.

**Item No.11.**

The Board of Directors, at its meeting held on 17.06.2013 appointed Mrs. Prity Singhal as executive director, subject to the approval of the members for three years.

The material terms of appointment/ remuneration payable to Mrs. Prity Singhal are given as under:-

Remuneration:

Salary: ₹ 2,00,000/- p.m. with suitable increases as may determined by the Board of Directors of the Company.

Perquisite, Allowance & others benefits:

Perquisites shall be allowed in addition to salary. Perquisites in Category-A and in excess of exemption from Income Tax in Category-B shall be restricted to an amount not exceeding 100% of annual salary.

Unless the context otherwise requires, perquisites are classified into three categories 'A', 'B' and 'C' as follows:-

Category – "A"



This will comprise housing, medical reimbursement, leave travel concessions, club fees and other benefits, allowances, expenses etc. these may be provided for as under:

- I 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.
- II Expenditure incurred by the company on Gas, Electricity, Water etc. will be valued as per Income Tax Rules, 1962.
- III Medical/Hospitalization Expenses Reimbursement of Expenses incurred for the appointee and the family in accordance with the rules of the company.
- IV Leave Travel Concession: Leave Travel Concession for self and family in accordance with the rules of the company.
- V 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.
- VI 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.

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.

#### Category – B

Company's Contribution towards Provident Fund, Super-Annuation Fund or Annuity Fund as per the Rules of the Company Contribution to Provident Fund, Super-annuation Fund or Annuity Fund will 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.

Gratuity payable shall be in accordance with the rule of the company.

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.

#### Category – "C"

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.

The appointee shall be entitled to reimbursement of entertainment expenses actually and properly incurred during the course of legitimate business of the company.

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.

#### Minimum Remuneration

Where in any financial year during the currency of tenure of the executive 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.

The terms and conditions of appointment and remuneration given herein may be altered and varied from time to time by the Board of Directors of the Company as it may at its discretion deem fit.

The board of directors recommends the passing of the resolution as set out as item no.11 of the accompanying notice for appointment of said director.

Further in accordance with provisions of Section 302 of the Companies Act 1956, abovesaid may kindly be treated as abstract of the terms of the agreement as referred to above.

No other director except Mr. G.S Kandoi, Chairman Cum Managing Director and Mr. Manish Singhal, Executive Director of the company are interested in this resolution.

For & on behalf of the Board

Place: **JAIPUR**  
Date : **17th June, 2013**

**(G.S Kandoi)**  
**Chairman Cum Managing Director**

**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 Maheswari	Mrs. Prity Singhal	Mr. Raj Kumar Agarwal	Mr. Rameshwar Pareek	Mr. Nitin Jaipuria
Date of Birth	07.11.1943	10.08.1972	18.05.1960	03.12.1976	15.10.1959	01.11.1944	12.02.1973
Nationality	Indian	Indian	Indian	Indian	Indian	Indian	Indian
Date of Appointment on the Board	05.09.2003	01.06.2000	29.09.2011	17.06.2013	17.06.2013	29.05.2008	29.05.2008
Qualification	B.E ( Mechanical) From Bits Pilani	M.S Chemical Form University of Florida USA & B.Tech. from IIT Delhi	B.Com	BCA	B.Com	B.A Hons, M.A. & Diploma in Management	B Com.
Expertise in Functional Areas	Management & Finance	Management & Marketing	Marketing	Production & Export	Management & Finance	Legal & Finance	Wholesale Textile Business
Share Holding in Company	1002730	903310	Nil	Nil	Nil	Nil	Nil
Directorship held in other companies	Nil	Nil	Nil	Nil	1. Jitesh Properties Pvt. Ltd. 2. Risiv Build Home Pvt.Ltd.	1.Genus Power Infrastructure Limited 2. Mayur Uniquoter Limited 3. Kailash Vidhyut & Ispat Limited 4. Genus Paper Product Limited 5. Genus prime Infra Limited 6.Genus Electrotech Limited 7. Virtuous Infra Limited 8. Virtuous urja Limited	Nil
Chairmanships/ Memberships of Committees of Board of Directors of other Companies	Nil	Nil	Nil	Nil	Nil	<b>Chairman of Audit Committee &amp; Investor Grievance Committee</b> 1.Genus Power Infrastructure Ltd. 2. Genus paper Product Limited 3.Mayur Uniquoter Ltd <b>Member in Share Holder Grievance Committee</b> 1.Genus Power Infrastructure Ltd. 2.Mayur Uniquoters Limited	Nil