



ANNUAL REPORT 2019-20

KG PETROCHEM LIMITED

CIN: L24117RJ1980PLC001999

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. GAURI SHANKER KANDOI (DIN: 00120330)

Chairman cum Whole Time Director

MR. MANISH SINGHAL (DIN: 00120232)

Managing Director

MRS. PRITY SINGHAL (DIN: 02664482)

Whole Time Director

MR. KAMLESH SHARMA (DIN:00037588)

Independent Director

MR. JAI PRAKASH KHANDELWAL (DIN: 08361188)

Independent Director

MR. BRIDHI CHAND SHARMA (DIN: 08370330)

Independent Director

STATUTORY AUDITORS

M/s R. SOGANI & ASSOCIATES

Chartered Accountants,

Shri Dham, R-20, Yudhishter Marg

C-Scheme, Jaipur-302005

SECRETARIAL AUDITOR

M/s ARMS & ASSOCIATES LLP

Company Secretary in Practice

24 Ka 1, Jyoti Nagar, Jaipur-302005

REGISTRAR & SHARE TRANSFER AGENT

M/s NICHE TECHNOLOGIES PVT. LTD

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

3A Auckland Place, Kolkata-700017

DEPOSITORY PARTICIPANT

National Securities Depository Ltd.

Central Depository Services (India) Ltd

BOARD COMMITTEES

AUDIT COMMITTEE

MR. JAI PRAKASH KHANDELWAL (CHAIRPERSON)

MR. KAMLESH SHARMA

MR. BRIDHI CHAND SHARMA

NOMINATION & REMUNERATION COMMITTEE

MR. KAMLESH SHARMA (CHAIRPERSON)

MR. JAI PRAKASH KHANDELWAL

MR. BRIDHI CHAND SHARMA

STAKEHOLDERS RELATIONSHIP COMMITTEE

MR. BRIDHI CHAND SHARMA (CHAIRPERSON)

MR. GAURI SHANKER KANDOI

MR. MANISH SINGHAL

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

MR. GAURI SHANKER KANDOI (CHAIRPERSON)

MR. MANISH SINGHAL

MR. BRIDHI CHAND SHARMA

FINANCE COMMITTEE

MR. GAURI SHANKER KANDOI (CHAIRPERSON)

MR. MANISH SINGHAL

MR. BRIDHI CHAND SHARMA

CHIEF FINANCIAL OFFICER

MR. SHIV RATAN SHARMA till 26.08.2020

MR. PRAMOD KUMAR SHARMA from 26.08.2020

COMPANY SECRETARY & COMPLIANCE OFFICER

CS NEETU SHARMA (12.10.2018 - 30.10.2019)

CS SWATI SINGH (14.02.2020 - 25.05.2020)

CS AKSHITA PAREEK (FROM 07.07.2020)

PRINCIPAL BANKERS



REGISTERED OFFICE

C-171, ROAD NO.9J,
VKI Area, Jaipur-302013,
RAJASTHAN

CORPORATE OFFICE

F- 394(G), Road No. 9F2
VKI Area, Jaipur-302013,
RAJASTHAN

WORKS

- **Bhavik Terryfab** (A unit of KG Petrochem Ltd), Plot No. SP-4/3, RIICO Industrial Area, Village & Post Keswana, Tehsil Kotputli, District Jaipur-303108 Rajasthan
- **Ultra Polycoats** (A unit of KG Petrochem Ltd), Plot No. SP-4/3A, RIICO Industrial Area, Village & Post Keswana, Tehsil Kotputli, District Jaipur-303108, Rajasthan
- **Anusha Techfab** (A unit of KG Petrochem Ltd), SP 3-5(B), RIICO Industrial Area, Village & Post Keswana, Tehsil Kotputli, District Jaipur-303108 Rajasthan
- **Bhavik Terryfab, Unit-II**, (A unit of KG Petrochem Ltd) F-276, Road No 13, VKI Area, Jaipur -302013, (Rajasthan)
- **Mantika Gartex** (A unit of KG Petrochem Ltd), C-171, Road No.9J, VKI Area, Jaipur- 302013 Rajasthan.

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CHAIRMAN'S MESSAGE

Dear Shareholders,

I am pleased to share with you an update on your company's performance for the Financial Year 2019-20. Here I am presenting the 40th Annual Report of K G Petrochem Limited reflecting our accomplishments during the financial year 2019-20.

Your Company performed well throughout the financial year 2019-20 but a slower growth rate was recorded in the last quarter due to COVID -19 pandemic in March 2020. The novel coronavirus has affected not just human health but severely impacted business and the society at large. Against, this backdrop, your company has delivered competitive, profitable and responsible growth.

Your Board has also contributed a sum of Rs. 11.00 Lacs (Rupees Eleven Lacs Only) to CM Care Fund and inter-alia as a gesture to support the government in fighting against COVID-19.

As far as Indian economy is concerned, well before the onset of the COVID-19 pandemic, India's GDP growth had begun to slow down. Several multilateral agencies, including the World Bank and the International Monetary Fund have drastically cut India's GDP Growth forecast for Financial Year 2020-21. Consider the data on real GDP growth. It was 7.2% in FY 2018. It then decreased to 6.1% in FY2019. Now, it seems to have fallen to 4.2% in FY2020 — driven by a mere 3.1% growth in January-March 2020, with the COVID-19 national lockdown wiping out all economic activity in the end of March 2020.

Further, as far as our textile industry growth is concerned the global home textile market is currently valued at US\$ 50 Billion, largely dominated by Asian players with India and China having a market share of 11% and 35% respectively. With strong improvement in overall macro indicators, the global home textile market is expected to reach US\$ 67 Billion in 2020-21. The Indian Textile Industry has an overwhelming presence in the economic life of the country. India is the third largest home textile market in the Asia-Pacific region. The US\$ 4.7 billion Indian Textile Industry is likely to become a US\$ 8.2 billion by 2021.

The Indian Textile Industry continued to reel under pressure on account of increased cost and decreased profitability. However due to well anticipated policy changes which resulted in the Company's Top line as well as bottom line yet gain touching a new height. Your company is one of the leading manufacturers of the Terry Towel because of quality product. A fully computerized system maintains uniformity of quality, strength, colors, printing and any other customer specification

Here are some key data

- Total Gross Income is Rs. 33,755.24 Lacs — an increase of 31.52% from that of the previous year, which is the Company's highest turnover ever.
- Operating earnings before interest, tax, depreciation and amortization (EBITDA) increased by 33.75% to Rs. 5,226.03 Lacs — which is also your Company's highest ever.
- Profit before tax (PBT) before exceptional items is Rs. 2,602.59 Lacs.
- Profit after Tax Rs. 1,747.09 Lacs, which is K G Petrochem Limited's highest PAT in history.
- During this year in Ultra Polycoats; our artificial leather division started production with second coating line. The Revenue from Operation of the Coated Fabric (Net) increased to Rs. 3,777.85 Lacs compare to Rs. 1,905.06 Lacs from the previous financial year.

I strongly believe that the cordial relation between the management and employee can take the organization to newer heights. I recognize the genuine efforts of the employees at all levels during the time of pandemic scenario. I sincerely thank the board members and all employees for believing in organization goal and objectives, and for creating such a positive and productive workplace by establishing respectful and amicable relationship. I always had faith on our employees in doing productive work that eventually benefited the organization. I take pride to represent them and work together with them to ensure higher growth for the company in the coming years.

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

With warm regards,
Gauri Shanker Kandoi
Chairman cum Whole-Time Director
DIN: 00120330

Place Jaipur
Date: 26.08.2020

NOTICE

K G Petrochem Limited

CIN: L24117RJ1980PLC001999

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

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

NOTICE

Notice is hereby given that the 40th Annual General Meeting of **K G PETROCHEM LIMITED** will be held on **Monday, 21st September, 2020 at 11.30 A.M** through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. **To Consider and adopt the Audited Standalone Financial Statement of the Company for the year ended 31st March, 2020 together with the Reports of the Board of Directors and Auditors thereon**

“RESOLVED THAT the Audited Balance Sheet as on 31st March 2020, Statement of Profit & Loss and the Cash Flow statement for the financial year ended on 31st March, 2020 and the Reports of the Board of Directors and the Auditors thereon, be and are hereby approved and adopted.”

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

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

SPECIAL BUSINESS:

3. **To consider and approve the appointment, re-designation of Shri. Gauri Shanker Kandoi (DIN 00120330), Chairman cum Whole-Time Director of the company and if thought fit, to pass with or without modification(s), the following Resolution as SPECIAL RESOLUTION.**

“RESOLVED THAT pursuant to the provisions of section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), on the recommendation of the Nomination and Remuneration Committee, and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals, consent of the company be and is hereby accorded to approve the appointment and re-designate Shri Gauri Shanker Kandoi (DIN 00120330) as Chairman cum Whole-Time Director of the Company with effect from 1st August, 2020 to 31st July, 2023 with liberty to the Board of Directors [which term shall include the Nomination and Remuneration Committee (“NRC”)] to alter and vary the terms and conditions of the said reappointment as it may deem fit.

Nature of Duties	The Whole-Time Director shall, devote his whole time and attention to the business and operations of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its subsidiaries and/or associated companies, including performing duties as assigned by the Board from time to time by serving on the boards of such companies or any other executive body or any committee of such a company.
Salary inclusive of all allowances	Rs.20,00,000/- per month or as may be decided by the board of directors but not more than 20,00,000/- p.m.
Perquisites in addition to salary	<p>1. Housing: The expenditure incurred by the Company on hiring unfurnished accommodation addition to salary 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>2. Expenditure incurred by the company on Gas, Electricity, Water etc. will be valued as per Income Tax Rules, 1962.</p> <p>3. Medical/Hospitalization Expenses Reimbursement of Expenses incurred for the appointee and the family in accordance with the rules of the company.</p> <p>4. Leave Travel Concession: Leave Travel Concession for self and family in accordance with the rules of the company.</p> <p>5. 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>6. Personal Medical/ Accident Insurance etc.: Coverage for Personal Medical/ Accident Insurance/ Keyman Insurance or any other coverage as per rules of the Company and annual premium for the same to be paid by the company.</p> <p>Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes.</p> <p>Notes: For the purpose of perquisites stated herein above, family means spouse, dependent children and dependent parents of the appointee.</p> <p>Perquisites shall be evaluated as per Income Tax Rule wherever applicable and in the absence of any such rule. Perquisites shall be evaluated at actual cost.</p>
Retirement Benefits	<p>1. 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>2. Gratuity payable shall be in accordance with the rule of the</p>

	<p>company.</p> <p>3. Earned Leave on full pay and allowances as per the rules of the Company, leave accumulated shall be en-cashable 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>1. 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>2. 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>3. 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 Whole Time 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 Sections 198 and all other applicable provisions of the Companies Act, 2013

4. To Consider the re-appointment of Mrs. Prity Singhal (DIN: 02664482), Whole-Time Director of the company and if thought fit, to pass with or without modification(s), the following Resolution as SPECIAL RESOLUTION.

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 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 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), on the recommendation of the Nomination and Remuneration Committee, and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals, consent of the company be and is hereby accorded to re-appoint Mrs. Prity Singhal (DIN:02664482) as Whole-Time Director of the Company, for a period of 3 (Three) years from the expiry of his present term of office, that is, with effect from 1st August, 2020 to 31st July, 2023 with liberty to the Board of Directors [which term shall include the Nomination and Remuneration Committee (“NRC”)] to alter and vary the terms and conditions of the said reappointment as it may deem fit.

Nature of Duties	The Whole Time Director shall, devote her whole time and attention to the business and operations of the Company and carry out such duties as may be entrusted to her by the Board from time to time and separately communicated to her and exercise such powers as may be assigned to her, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its subsidiaries and/or associated companies, including performing duties as assigned by the Board from time to time by serving on the boards of such companies or any other executive body or any committee of such a company.
Salary inclusive of all	Rs.10,00,000/- per month or as may be decided by the board of directors

allowances	but not more than 10,00,000/- p.m
Perquisites in addition to salary	<p>1. Housing: The expenditure incurred by the Company on hiring unfurnished accommodation addition to salary 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>2. Expenditure incurred by the company on Gas, Electricity, Water etc. will be valued as per Income Tax Rules, 1962.</p> <p>3. Medical/Hospitalization Expenses Reimbursement of Expenses incurred for the appointee and the family in accordance with the rules of the company.</p> <p>4. Leave Travel Concession: Leave Travel Concession for self and family in accordance with the rules of the company.</p> <p>5. 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>6. 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</p> <p>Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes.</p> <p>Notes: For the purpose of perquisites stated herein above, family means spouse, dependent children and dependent parents of the appointee.</p> <p>Perquisites shall be evaluated as per Income Tax Rule wherever applicable and in the absence of any such rule. Perquisites shall be evaluated at actual cost.</p>
Retirement Benefits	<p>1. 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>2. Gratuity payable shall be in accordance with the rule of the company.</p> <p>3. Earned Leave on full pay and allowances as per the rules of the Company, leave accumulated shall be cashable 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>1. 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>2. 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>3. 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 Whole-Time 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 Sections 198 and all other applicable provisions of the Companies Act, 2013.

5. To consider and approve the appointment, re-designation of Mr. Manish Singhal (DIN: 00120232), 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 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 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), on the recommendation of the Nomination and Remuneration Committee, and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals, consent of the company be and is hereby accorded to appoint and re-designate Mr. Manish Singhal (DIN: 00120232) as Managing Director of the Company, for a period of 3 (Three) years from 1st August, 2020 to 31st July, 2023 with liberty to the Board of Directors [which term shall include the Nomination and Remuneration Committee (“NRC”)] to alter and vary the terms and conditions of the said reappointment as it may deem fit.

Nature of Duties	The Managing Director shall, devote his whole time and attention to the business and operations of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its subsidiaries and/or associated companies, including performing duties as assigned by the Board from time to time by serving on the boards of such companies or any other executive body or any committee of such a company.
Salary inclusive of all allowances	Rs.20,00,000/- per month or as may be decided by the board of directors but not more than 20,00,000/- p.m
Perquisites in addition to salary	<ol style="list-style-type: none"> 1. Housing: The expenditure incurred by the Company on hiring unfurnished accommodation addition to salary 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. 2. Expenditure incurred by the company on Gas, Electricity, Water etc. will be valued as per Income Tax Rules, 1962. 3. Medical/Hospitalization Expenses Reimbursement of Expenses incurred for the appointee and the family in accordance with the rules of the company. 4. Leave Travel Concession: Leave Travel Concession for self and family in accordance with the rules of the company. 5. 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. 6. 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 <p>Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes.</p> <p>Notes: For the purpose of perquisites stated herein above, family means spouse, dependent children and dependent parents of the appointee.</p> <p>Perquisites shall be evaluated as per Income Tax Rule wherever applicable and in the absence of any such rule. Perquisites shall be evaluated at actual cost.</p>
Retirement Benefits	1. 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.