

September 03, 2021

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001 MH

Scrip Code: 531609

Subject: Annual Report for the FY 2020-21 and Notice convening the 41st Annual General Meeting

Reference: Announcement under Regulation 34 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Respected Sir/Madam,

Pursuant to above mentioned regulations, please find enclosed herewith the copy of Annual Report of the company for the financial year 2020-2021 along with the Notice of the 41st Annual General Meeting (AGM) scheduled to be held through VC/OAVM means. The same is available on the website of the Company i.e. www.kgpetro.in.

The Schedule of 41st AGM of the company is as under:

Event	Date	Time(IST)
Cut-off date to determine eligible members for voting on AGM Resolution(s)	Monday, September 20, 2021	NA
Commencement of E-Voting	Friday, September 24, 2021	9:00 AM
End of E-voting	Sunday, September 26, 2021	5:00 PM
Annual General Meeting (AGM)	Monday, September 27, 2021	12:30 PM

Kindly take the same on your record.

Thanking you
Yours Truly,

For KG Petrochem Ltd



Kartik Sharma
Company Secretary & Compliance Officer
M.No.: A64432

encl: copy of Annual Report 2020-2021



KANDOI GROUP

ANNUAL REPORT
2020-2021

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. Kuldeep Sharma (DIN: 03475872)
Additional Executive Director

Mr. Kamlesh Sharma (DIN:00037588)
Independent Director

Mr. Jai Prakash Khandelwal (DIN: 08361188)
Independent Director

Mr. Bridhi Chand Sharma (DIN: 08370330)
Independent Director

Mr. Anand Mishra ((DIN : 00288257)
Additional Independent Director

STATUTORY AUDITORS

M/s R. SOGANI & ASSOCIATES
Chartered Accountants,
Shri Dham, R-20, Yudhishter Marg
C-Scheme, Jaipur-302005 RJ

SECRETARIAL AUDITOR

M/s ARMS & ASSOCIATES LLP
Practicing Company Secretaries
24 Ka 1, Jyoti Nagar, Jaipur-302005 RJ

REGISTRAR & SHARE TRANSFER AGENT

M/s NICHE TECHNOLOGIES PVT. LTD
Room No. 7A & 7B, 7th Floor
3A Auckland Place, Kolkata-700017 WB

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. Promod Kumar Sharma (26/08/2020-
29/10/2020)
Mr. Deepak Singhvi (From 12/11/2020)

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Swati Singh (till 25/05/2020)
Ms. Akshita Pareek (07/07/2020- 26/02/2021)
Ms. Antima Madhani (23/03/2021-26/06/2021)
Mr. Kartik Sharma (From 20/08/2021)

DEPOSITORY PARTICIPANT

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

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

- Plot No. SP-4/3, RIICO Industrial Area, Village & Post Keswana, Tehsil Kotputli, District Jaipur-303108 Rajasthan
- Plot No. SP-4/3A, RIICO Industrial Area, Village & Post Keswana, Tehsil Kotputli, District Jaipur-303108 Rajasthan
- 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 2020-21. I am presenting the 41st Annual Report of KG Petrochem Limited reflecting on our accomplishments during the financial year 2020-21.

Just a year ago when the World Health Organization (WHO) declared COVID-19 a pandemic and India imposed a strict lockdown in March 2020. Since then, many people lost their life and the life of survivals has been disrupted and lifestyles have been fundamentally altered. In India, some areas of activity, especially contact intensive ones, have been deeply scarred. In factory-based manufacturing and institutionalized services, there has been considerable adaptation to pandemic protocols, enabling normalization of work processes quicker than in other sectors.

As far as India's merchandise exports in March 2021 were valued at USD 34.0 billion, as compared to USD 21.49 billion in March 2020, an increase of 58.23%.

As per the Ministry of Commerce, Cotton Textile exports reached a level of USD 1,104 million in March 2021 marking a growth of 55.67 per cent against the corresponding month of March 2020, wherein exports were valued at USD 709 million. Exports of cotton textiles during the period April 2020– March 2021 have shown a decline of 2.12% reaching a level of USD 9.81 billion over the previous year with exports of USD 10.02 billion during the period April – March 2020. The decline of 2.12% is mainly because of steep fall in April/ May. It may also be noted that exports of cotton textiles have shown positive growth from June 2020 onwards till March 2021.

However second wave also impacted the business. The major issues faced were supply interruption of raw material, availability of labour, high inflation rate, high shipping/transportation cost which resulted into slight decline in numbers as compared to the last year.

Some Key Features on Company's Data:

- Total Revenue from Operation includes other income has decreased from Rs. 33,866.76 Lakhs to Rs. 30,626.14 Lakhs i.e. 9.57% decline that of the previous year.
- Earnings before interest, tax, depreciation and amortization (EBITDA) decreased by 14.34%
- Profit before tax (PBT) before exceptional items down by 17.48%
- Profit after tax (PAT) down by 10.27%.

Earnings before interest, tax, depreciation and amortization (EBITDA) decreased by 14.34% due to announcement of new scheme RODTEP by Central Government of India replacing erstwhile scheme of ROSCTL w.e.f. 1st January 2021. As the rates of RODTEP were not announced till that date the income of Rs. 820 Lakhs considering the old ROSCTL Rates were not recognized for 4th quarter ended March 31, 2021. However, the Government has notified on 13th August 2021 to restore the ROSCTL scheme for textile Industry till 31st March'2024.

In this scenario our aim is to ensure that the employees feel supported and valued. In times like these, it is important to come together and to value health over everything else. With the second wave of COVID-19, we continue to stand in solidarity with every member to ensure their mental, physical and financial well-being, as they navigate through these challenging times. The COVID Care Measures we initiated have been done so keeping in mind the health requirements of our employees and society. We set up various facilities such as a vaccination drive (Vaccination for Employees followed with Health check portal called "Team-20"), Medical KIT for prevention and control and donated other facilities like Oxygen Concentrator, Medical Equipment-IV Fluid Stand and Stools, Music System, (To overcome trauma of COVID Patient) .

On this note, I would like to express my sincere thanks to our Board Members for their unwavering support and guidance in these difficult times. I would also like to express my gratitude, towards the cooperation and assistance extended by the Central Government, Government of Rajasthan, Financial Institution(s), Bank(s), Dealers and Society at large. Further wants to thank all the shareholders, customers and vendors around the world for their continued trust in **KGPL**. And last but not the least, my heartfelt thanks to all our members, whose dedication and passion remain the biggest driver of the Company's vision and strategic goals. Best wishes for the year ahead. Stay safe!

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 & Wholetime Director

DIN: 00120330

NOTICE OF 41ST ANNUAL GENERAL MEETING

Notice is hereby given that the 41st Annual General Meeting (AGM) of the Members of **KG Petrochem Limited** will be held on Monday, September 27, 2021 at 12.30 P.M. (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS

1. Adoption of Financial Statements

To consider and adopt the Audited Financial Statements of the company for the financial year ended March 31, 2021 together with the report of the Board of Directors and Auditors thereon.

2. Re-appointment of Mr. Manish Singhal as a Director, liable to retire by rotation

To appoint a Director in place of Mr. Manish Singhal (DIN: 00120232), who retires by rotation at this AGM and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To appoint Mr. Kuldeep Sharma as Director of the Company

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

“RESOLVED THAT pursuant to the provisions of section 152 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder including any statutory modification thereto or re-enactment thereof for the time being in force, Mr. Kuldeep Sharma (DIN: 03475872) who was appointed by the Board of Directors as an Additional Director (Executive Director) of the Company with effect from February 13, 2021 by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of section 161 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Article of Association and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors and been eligible, offer himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Kuldeep Sharma candidature for the office of the Director, be and is hereby appointed as a Executive Director of the Company who will be liable to retire by rotation.”

4. To appoint Mr. Anand Mishra as an Independent Director of the company

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

“RESOLVED THAT in accordance with the provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (herein after referred to as the ‘Act’), the rules made there under read with Schedule IV to the Act and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015, (hereinafter referred to as the 'Listing Regulations') and amendments thereto (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Anand Mishra (DIN 00288257) who was appointed by the Board of Directors as an Additional Director (Non-Executive, Independent Director) of the Company with effect from February 13, 2021 by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of section 161 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Article of Association and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors and been eligible, offer himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Anand Mishra's candidature for the office of the Director, be and is hereby appointed as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, for a period of 5 (five) consecutive years with effect from February 13, 2021 to February 12, 2026."

5. To appoint and re-designate Mr. Kuldeep Sharma as Whole Time Director of the Company

To consider 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 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), pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors consent of the company be and is hereby accorded to appoint and re-designate Mr. Kuldeep Sharma (DIN: 03475872) as Whole-Time Director of the Company, for a period of 3 (Three) consecutive years with effect from September 28, 2021 to September 27, 2024 with the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting with liberty to the Board of Directors (including Committee) to alter and vary the terms and conditions of the said re-appointment /remuneration in such manner as deemed fit necessary."

6. Continuation of Directorship of Mr. Bridhi Chand Sharma, Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018 (including any statutory modification(s) / amendment(s) / re-enactment(s) thereto), Mr. Bridhi Chand Sharma (DIN: 08370330) Non-Executive, Independent Director of the Company who was appointed as Non-Executive, Independent Director from February 26, 2019 up to February 25, 2024 be continued as Non-Executive, Independent Director of the Company for the remaining tenure even after he has attained the age of 75 years during the said tenure."

7. Authorization Under Section 186 of the Companies Act, 2013

To consider 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 186 of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), if any, consent of the members of the Company be and is hereby accorded to the Board of Directors (*hereinafter which term shall include a Committee of Directors constituted or to be constituted for this purpose including any person or persons who may be authorized by the Board*),:

- (a) Make investment and acquire by way of subscription, purchase or otherwise, securities of any other body corporate(s)
- (b) Give loan to any person(s) or other body corporate(s)
- (c) give any guarantee or provide security in connection with a loan to any other person(s) or other body corporate(s),

from time to time in one or more tranches as the Board may deem fit as in their absolute discretion deem beneficial and in the interest of the Company, to the extent of and not exceeding Rs.50,00,00,000 (Rupees Fifty Crores Only), outstanding at any time, irrespective of the aggregate of such outstanding loans given or to be given, guarantees, security provided and investment are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.”

**By the order of the Board
for KG Petrochem Limited
SD/-**

Kartik Sharma

Company Secretary & Compliance Officer

M. No.: A64432

Date: August 20, 2021

Place: Jaipur

Registered Office:

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

Tel.: 91-141-2331231; Email: jproffice21@Bhavik.Biz; Website: www.kgpetro.in;

CIN: L24117RJ1980PLC001999

NOTES

1. In view of the outbreak of the COVID-19 pandemic, social distancing norms and pursuant to the circular no. 14/2020 dated April 08, 2020, circular no.17/2020 dated April 13, 2020 issued by the ministry of corporate affairs ("MCA") followed by circular no. 20/2020 dated May 05, 2020 and circular no. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time (collectively referred to as "MCA circulars"), the MCA has permitted the holding of the annual general meeting ("AGM") through video conferencing ("VC") / other audio visual means ("OAVM"), without the physical presence of the shareholders at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA circulars, the AGM of the company is being held through VC / OAVM. The deemed venue for the AGM shall be the registered office of the company.
2. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 02/2021 dated January 13, 2021.
3. The explanatory statement pursuant to section 102(1) of the Act, which sets out details relating to special business to be transacted at this AGM, is annexed hereto.
4. In terms of the provisions of section 152 of the Act, Mr. Manish Singhal Director, retires by rotation at this AGM. The Nomination & Remuneration Committee (NRC) and the Board of Directors (the board) of the company have recommended their reappointments. Mr. Manish Singhal is interested (to the extent of the appointment) in the Ordinary Resolutions set out at item no.2 of the Notice of the 41st AGM ("notice"). Mr. Gauri Shanker Kandoi and Mrs. Prity Singhal, Directors, being relatives may be deemed to be interested (to the extent of the appointment) in the resolutions set out at item no.2 of the notice. The other relatives of Mr. Manish Singhal may be deemed to be interested in the resolutions set out at item no.2 of the notice, to the extent of their shareholding interest, if any, in the company. Save and except the above, none of the directors/ key managerial personnel of the company/ their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their shareholding interest, if any, in the ordinary business set out at item nos. 2 of the notice.
5. Pursuant to regulations 26(4) and 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, the relevant details of Directors seeking Appointments or Reappointment at this AGM are also annexed to this notice.
6. Pursuant to the provisions of the Act, a shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a shareholder of the company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, physical attendance of shareholders has been dispensed with. Accordingly,

the facility for appointment of proxies by the shareholders will not be available for the AGM and hence the proxy form and attendance slip are not annexed to this notice.

7. Since the AGM will be held through VC/OAVM, the route map of the venue of the AGM is not annexed hereto.
8. In case of joint holders, the shareholder whose name appears as the first holder in the order of names as per the register of members of the company will be entitled to vote at the AGM.
9. Shareholders, seeking any information with regard to the accounts of the company or any matter to be placed at the AGM, are requested to write to the company secretary of the company at an early date so as to enable the management to keep the information ready at the AGM.
10. Non-resident Indian shareholders are requested to immediately inform their depository participant (in case shares are held in demat form) or the company's RTA (i.e. M/s. Niche Technologies Private Limited, Kolkata) (in case shares are held in physical form), as the case may be, about:
 - i. the change in the residential status on return to India for permanent settlement.
 - ii. the particulars of the NRE account with a bank in India, if not furnished earlier.
11. SEBI has mandated the submission of the permanent account number (PAN) by every participant in the securities market. Shareholders holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Shareholders holding shares in physical form are required to submit their PAN details to the RTA of the company.
12. Shareholders, whose shareholding is in electronic mode, are requested to notify about change of address and updates about bank account details to their respective depository participants(s) (DP), directly. Shareholders, who hold shares in physical form, are requested to notify such changes to the company's RTA.
13. As per the provisions of section 72 of the Act, the facility for making nomination is available for the shareholders in respect of the shares held by them. Shareholders, who have not yet registered their nomination, are requested to register the same by submitting Form No.SH-13. Shareholders are requested to submit these details to their DP, in case the shares are held by them in electronic form, and to the company's RTA, in case the shares are held in physical form.
14. As per regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, shareholders holding shares in physical form are requested to consider converting their holdings to dematerialized form. Shareholders can contact the company or company's RTA for assistance in this regard.

- 15.** The company has designated a separate email ID of the grievance redressal division/ compliance officer i.e. 'jproffice21@bhavik.biz', exclusively for the purpose of registering complaints by investors.
- 16.** The register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested maintained under section 189 of the Act, and the relevant documents referred to in the notice will be available electronically, for inspection by the shareholders during the AGM.
- 17.** All documents referred to in the notice will also be available electronically for inspection without any fee by the shareholders from the date of circulation of this notice up to the date of AGM. Shareholders seeking to inspect such documents can send an email to 'jproffice21@bhavik.biz'.
- 18.** In compliance with the aforesaid MCA circulars and SEBI circulars, notice of the AGM along with the annual report 2020-21 is being sent only through electronic mode to those shareholders, whose email addresses are registered with the company/ depositories/ RTA. Shareholders may note that the notice and annual report 2020-21 will also be made available on the company's website www.kgpetro.in websites of the stock exchanges i.e. BSE Limited at www.bseindia.com, and on the website of CDSL www.evotingindia.com.
- 19.** To support the 'Green Initiative', shareholders, who have not yet registered their email addresses, are requested to register the same with their DPs (in case shares are held by them in electronic form) and with the company's RTA (in case shares are held by them in physical form).
- 20.** Institutional/ Corporate shareholders (i.e. other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (in PDF/ JPG format) of its board or governing body resolution/ authorisation, etc., authorizing their representative to attend the AGM on its behalf and to vote through remote e-voting. The said resolution/ authorisation shall be sent through the registered email address of the shareholder to the scrutinizer at 'cssandeep@armsandassociates.com' with a copy marked to 'helpdesk.evoting@cdslindia.com'.
- 21.** Instructions for e-voting and joining the AGM through VC/OAVM are as follows:
- (I) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting System on the date of the AGM will be provided by CDSL.
 - (II) The shareholders can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure

mentioned in the notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on a first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairpersons of the audit committee, nomination and remuneration committee and stakeholders' relationship committee, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- (III) The attendance of the shareholders, attending the AGM through VC/ OAVM, will be counted for the purpose of ascertaining the quorum under section 103 of the Companies Act, 2013.
- (IV) Pursuant to MCA circulars, the facility to appoint proxy to attend and cast vote for the shareholders is not available for this AGM. However, in pursuance of section 112 and section 113 of the Companies Act, 2013, representatives of the shareholders can attend the AGM through VC/ OAVM and cast their votes through e-voting.
- (V) In line with the MCA circulars, the notice calling the AGM has been uploaded on the website of the company at www.kgpetro.in. The notice can also be accessed from the websites of the stock exchanges i.e. BSE Limited at www.bseindia.com. The AGM notice is also disseminated on the website of CDSL (agency for providing the remote e-voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
- (VI) The company has appointed Mr. Sandeep Kumar Jain Designated Partner of M/s. ARMS & Associates LLP, Company Secretaries (Membership No. FCS 5398) as the scrutinizer to scrutinize the voting at the AGM and remote e-voting process, in a fair and transparent manner.
- (VII) The instructions for shareholders for remote e-voting are as under:
 - (i) The voting period begins on Friday, September 24, 2021 at 9:00 am (IST) and ends on Sunday, September 26, 2021 at 5:00 pm (IST). 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 Monday, September 20, 2021 may cast their vote electronically. The voting rights of shareholders shall be in proportion to their share in the paid-up equity share capital of the company as on the said cut-off date. The remote e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the AGM date would not be entitled to vote at the AGM venue.
 - (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with depositories and depository participants. Shareholders are advised to update their mobile number and email-id in their demat accounts in order to access e-voting facility.

Pursuant to aforesaid SEBI circular, the login method for e-voting and joining virtual meetings **for individual shareholders holding securities in demat mode** is given below:

Type of shareholders	Login method
Individual shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/ Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on login icon and select new system Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting service providers i.e. CDSL/ NSDL/ KARVY/ LINKINTIME, so that the user can visit the e-voting service providers' website directly. 3) If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.

	<p>4) Alternatively, the user can directly access e-voting page by providing demat account number and PAN number from an e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile & email as recorded in the demat account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting service providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-services is launched, click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section. A new screen will open. You will have to enter your user ID and password. After successful authentication, you will be able to see e-voting services. Click on 'Access to e-voting' under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select 'Register Online for IDeAS Portal' or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your user ID (i.e. your sixteen digit demat account number hold with NSDL), password/OTP and a verification code as shown on the screen. After successful authentication, you will be redirected to NSDL depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.</p>
Individual shareholders (holding securities in	<p>You can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-voting option, you</p>

demat mode) login through their Depository Participants	will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting
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Important note: Shareholders, who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Login method for e-voting and joining virtual meeting for shareholders **(other than individual shareholders holding in demat form & physical shareholders)** is given below:

- (1) The shareholders should log on to the e-voting website www.evotingindia.com.
- (2) Click on “Shareholders” module.
- (3) 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) Shareholders holding shares in physical form should enter folio number registered with the company.
- (4) Next enter the Image Verification as displayed and Click on Login.
- (5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

- (6) If you are a first time user follow the steps given below:

For Shareholders holding shares in demat form (other than individual 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">*Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none">If both the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (7) After entering these details appropriately, click on “SUBMIT” tab.
- (8) Shareholders holding shares in physical form will then directly reach the company selection screen. However, shareholders 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.
- (9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (10) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (11) 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.
- (12) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (13) 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.
- (14) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (15) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (17) Note for non-individual shareholders and custodians:
- Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the board resolution and power of attorney (POA), which they have issued in favour of the custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively non-individual shareholders are required to send the relevant board resolution/ authority letter etc. together with attested specimen signature of the duly authorized signatory, who are authorized to vote, to the scrutinizer and to the company at the email address viz; cssandeep@armsandassociates.com and jproffice21@bhavik.biz, respectively, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Instructions for shareholders attending the AGM through VC/OAVM and e-voting during meeting are as under:

- (I) The procedure for attending AGM and e-voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.
- (II) The link for VC/OAVM to attend AGM will be available where the EVSN of the company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
- (III) Shareholders are encouraged to join the AGM through laptops / ipads for better experience.
- (IV) Shareholders, who have voted through remote e-voting, will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
- (V) Further, shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the AGM.
- (VI) Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- (VII) Shareholders who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request in advance atleast five (5) days prior to AGM mentioning their name, demat account number/folio number, email id, mobile number at jproffice21@bhavik.biz. The shareholders, who do not wish to speak during the AGM but have queries may send their queries in advance five (5) days prior to AGM mentioning their name, demat account number/folio number, email id, mobile number at jproffice21@bhavik.biz. These queries will be replied to by the company suitably by email.
- (VIII) Those shareholders, who have registered themselves as a speaker, will only be allowed to express their views or ask questions during the AGM. The company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- (IX) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
- (X) If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the AGM through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the AGM is available only to the shareholders attending the AGM.

Process for those shareholders, whose email/ mobile number are not registered with the company/ depositories:

- (I) For physical shareholders: Please provide necessary details, like folio number, name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to company/RTA email-id.

- (II) For demat shareholders: Please update your email-id and mobile number with your respective Depository Participant (DP).
- (III) For individual demat shareholders: Please update your email id and mobile number with your respective depository participant (DP), which is mandatory while e-voting and joining virtual meetings through depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Other Information

- (I) The scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the chairman or a person authorised by him in writing, who shall countersign the same.
- (II) The chairman or the person authorized by him in writing shall forthwith on receipt of the consolidated scrutinizer's report, declare the results of the voting. The result declared, along with the scrutinizer's report, shall be placed on the company's website www.kgpetro.in and on the website of CDSL, immediately after the results are declared and communicated to the stock exchanges, where the equity shares of the company are listed.
- (III) Subject to receipt of requisite number of votes, the resolutions proposed in the notice shall be deemed to be passed on the date of the AGM, i.e. Monday, September 27, 2021.

**By the order of the Board
for KG Petrochem Limited
SD/-**

Kartik Sharma

Company Secretary & Compliance Officer

M. No.: A64432

Date: August 20, 2021

Place: Jaipur

Registered Office:

C-171, Road No.9], V.K.I. Area, Jaipur-302013 Rajasthan India

Tel.: 91-141-2331231; Email: jproffice21@Bhavik.Biz; Website: www.kgpetro.in;

CIN: L24117RJ1980PLC001999

EXPLANATORY STATEMENT

[Pursuant to section 102(1) of the Companies Act, 2013 ("Act")]

ITEM NO. 3.5

As per the recommendation of Nomination and Remuneration Committee, the board in its meeting held on February 13, 2021 has appointed Mr. Kuldeep Sharma (DIN: 03475872) as an Additional Director of the company to hold office up to the date of this AGM. In the opinion of the Nomination and Remuneration Committee & Board, Mr. Kuldeep Sharma brings a wealth of experience and financial acumen to the board. His vast experience in the realm of corporate governance will help us further strengthen our internal control and corporate governance. Further, he possesses integrity and relevant proficiency, which will strengthen our board and fortify our corporate policies with a commitment to maximize value for our members. The board recommends his appointment to the shareholders.

The company has received a notice in writing under section 160(1) of the Act, proposing his candidature for the office of director of the company. In the opinion of the board, Mr. Kuldeep Sharma fulfils the criteria/ conditions specified under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for appointment and re-designation as Wholetime Director of the company. Mr. Kuldeep Sharma is not related to any Director of the company.

The Board of directors at their meeting held on August 20, 2021 has recommended appointing Mr. Kuldeep Sharma as Whole Time Directors of the company w.e.f. September 28, 2021 on such terms and conditions as detailed below:

A. Tenure of Appointment:

The appointment as Whole time Director is for a period of 3 years with effect from September 28, 2021

B. Nature of Duties:

The Executive 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 her 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.

C. Salary inclusive of all allowances

a. Basic Salary

Not exceeding to Rs.10,00,000/- per month or as may be decided by the board of directors.

The annual increments which will be effective 1st April each year, will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee ("NRC") and the Audit Committee and will be performance-based and take into account the Company's performance as well, within the said maximum amount.

b. Perquisites in addition to salary

- 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.

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

D. Retirement Benefits:

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.

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 cashable of Leave at the end of the tenure, if any, will not be included in the computation of the ceiling on perquisites.

E. Other Benefits

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.

F. Minimum Remuneration

Notwithstanding anything to the contrary herein contained, 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 and allowances not exceeding the maximum limit of remuneration as specified Sections 198 and all other applicable provisions of the Companies Act, 2013.

A brief profile and other information as required under regulation 36(3) of the Listing Regulations and secretarial standard on general meetings, issued by the Institute of Company Secretaries of India are provided in the Annexure to the Notice.

The Board recommends the resolution as set out at agenda item no.3 and 5 of the accompanying notice for the members' consideration and approval.

None of the directors and key managerial personnel of the company including their relatives (except Mr. Kuldeep Sharma, to the extent of his appointment) are concerned or interested, financially or otherwise in the resolution mentioned at agenda item no.3 and 5 of the accompanying notice of the 41st AGM.

ITEM NO.4

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Anand Mishra, as an Additional Director of the Company and also an Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from February 13, 2021 to February 12, 2026, subject to approval of the Members. Pursuant to the provisions of Section 161(1) of the Act and Article 73 of the Articles of Association of the Company, Mr. Anand Mishra shall hold office up to the date of this AGM and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a Member, proposing his candidature for the office of Director.

The Company has received a declaration from Mr. Anand Mishra to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In the opinion of the Board, Mr. Anand Mishra fulfils the conditions specified in the Act and SEBI Listing Regulations for appointment as Independent Director and is independent of the management of the Company. Copy of the draft letter for his appointment as Independent Director setting out the terms and conditions will also be available for electronic inspection.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Anand Mishra as an Independent Director is now being placed before the Members for their approval.

The Board recommends the resolution as set out at agenda item no. 4 of the accompanying notice for the members' consideration and approval.

None of the directors and key managerial personnel of the company including their relatives (except Mr. Anand Mishra, to the extent of his appointment) are concerned or interested, financially or otherwise in the resolution mentioned at agenda item no. 4 of the accompanying notice of the 41st AGM.

ITEM NO. 6

Mr. Bridhi Chand Sharma, 75 years, is Non-Executive, Independent Director of the Company. He holds a degree of Bachelor of Business Administration and Manufacturing and Management and has rich experience in business administration and management.

Mr. Bridhi Chand Sharma has attained the age of 75 years on May 4, 2021. In view of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations,

2018, for the continuation of Mr. Bridhi Chand Sharma as a Non-Executive Director, consent of the Members would be required by way of a Special Resolution. It is in the interest of the Company to continue to avail his valuable expertise as his presence on the Board adds more value and gives confidence to the Board in its decisions.

The Board recommends the resolution as set out at agenda item no. 6 of the accompanying notice for the members' consideration and approval.

None of the directors and key managerial personnel of the company including their relatives (except Mr. Bridhi Chand Sharma, to the extent of his appointment) are concerned or interested, financially or otherwise in the resolution mentioned at agenda item no. 6 of the accompanying notice of the 41st AGM.

ITEM NO. 7

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate or as and when required.

Pursuant to the provisions of section 186 of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of members by way of special resolution passed at the General Meeting.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice of the Annual General Meeting for an amount not exceeding Rs.50,00,00,000 (Rupees Fifty Crores Only) at any time, irrespective of the aggregate of such loan, guarantee, security and investment in securities exceed sixty percent of the Company's paid up capital and free reserves or one hundred percent of the Company's free reserves, on such terms and conditions as the Board may deem fit.

The Board recommends the resolution as set out at agenda item no. 7 of the accompanying notice for the members' consideration and approval.

None of the directors and key managerial personnel of the company including their relatives are concerned or interested, financially or otherwise in the resolution mentioned at agenda item no. 7 of the accompanying notice of the 41st AGM.

**By the order of the Board
for KG Petrochem Limited
SD/-**

Kartik Sharma

Company Secretary & Compliance Officer

M. No.: A64432

Date: August 20, 2021

Place: Jaipur

Registered Office:

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

Tel.: 91-141-2331231; Email: jproffice21@Bhavik.Biz; Website: www.kgpetro.in;

CIN: L24117RJ1980PLC001999

ANNEXURE TO THE NOTICE

Details/ brief profile of directors including directors retiring by rotation, seeking appointment/re-appointment, etc., at the ensuing Annual General Meeting are as follows:

Name	Manish Singhal	Mr. Kuldeep Sharma	Mr. Anand Mishra	Bridhi Chand Sharma
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 March 31, 2021, the turnover of the Company is Rs. 298.11 Crores and Profit Before Tax (PBT) is Rs.21.47 Crores.			
Foreign Investments or collaborators, if any.	No such investment or collaboration except minor Shareholding of Non Resident Indians.			
2. INFORMATION ABOUT THE APPOINTEE				
Designation	Managing Director	Whole-Time Director	Director	Director
DIN	00120232	03475872	00288257	08370330
Age & DOB	49 Years (10/08/1972)	50 years (17/06/1971)	44 Year (21/11/1977)	75 Years (04/05/1946)
Brief profile	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 20 years in management, production and marketing.	Mr. Kuldeep Sharma holding professional degree from Institute of Cost Accountants of India and LLB and having experience of more than 23 years in accounts & management	Mr. Anand Mishra holding degree of Bachelor of Commerce and having experience of more than 12 years in Real Estate Industry.	Mr. Bridhi Chand Sharma holding degree of bachelor of Business Administration and having experience of more than 40 years in Manufacturing Industry.
Date of original Appointment	29/07/2013	13 th February, 2021	13 th February, 2021	26 th February, 2019
Nature of expertise in specific functional area	Management, Production and Marketing	Accounts & Management	Real Estate Industry.	Manufacturing and Management
Disclosure of relationship between other directors & KMP's	He is related to Key Managerial Personnel as follow: - Husband of Whole Time Director Prity Singhal - Son of Chairman Gauri Shanker Kandoi	He is not related to any Key Managerial Personnel of the Company	He is not related to any Key Managerial Personnel of the Company	He is not related to any Key Managerial Personnel of the Company

Number of meetings of the Board attended during the year	8 out of 8 meeting attended	2 out of 2 meeting attended	2 out of 2 meeting attended	8 out of 8 meeting attended
Directorship held in Other public company as on March 31, 2021	NIL	NIL	NIL	NIL
Chairmanship/ Membership of committees of other Public Companies as on March 31, 2021	NIL	NIL	NIL	NIL
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.			
Past Remuneration	Rs. 8,00,000/- PM	NIL	NIL	NIL
Proposed Remuneration	Not exceeding to Rs.20,00,000/- Per Month or as may be decided by the board of directors	Not exceeding to Rs.10,00,000/- Per Month or as may be decided by the board of directors	NIL	NIL
Shareholding in the company as on March 31, 2021	14,44,687 number of Equity Shares of Rs. 10/- each	Nil	Nil	Nil
Name of other Directors Interested in the Resolution	Gauri Shanker Kandoi; Prity Singhal	Nil	Nil	Nil
3. Other information				
Reasons of inadequate profit	Company has earned profit before tax of Rs.21.47 crores during the year ended 31.03.2021. 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. Company is identifying new market and taking necessary steps to reduce cost.			
Expected increase in the productivity and profits in measurable terms	Company's turnover is increasing on year to year basis. It is expected to achieve growth of 15% on year to year basis.			
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.			

BOARD'S REPORT

To
Dear Members
KG Petrochem Limited

We are delighted to present on behalf of Board of Directors, the 41st Annual Report of the Company ('KG Petrochem Limited') along with Audited Financial Statement for the financial year ended **March 31, 2021**.

1. FINANCIAL PERFORMANCE

(Rs. In Lakhs except EPS)

Particulars	31.03.2021	31.03.2020
Revenue from Operations	29,810.67	32,947.73
Other Income	815.47	919.03
Total Income	30,626.14	33,866.76
Profit/(Loss) Before Depreciation, Interest & Tax	4,571.85	5337.56
Less: Depreciation	1,668.90	1,772.48
Less: Interest	755.31	962.49
Profit/(Loss) Before Tax	2,147.64	2,602.59
Less: Exceptional items	0.00	548.33
Tax Expenses	579.91	307.17
Net Profit/ (Loss) After Tax	1,567.73	1,747.09
Earnings per share (Basic)	30.03	33.46
Earnings per share (Diluted)	30.03	33.46

2. STATE OF COMPANY AFFAIRS AND FUTURE OUTLOOK

During the year under review, due to COVID-19 Pandemic, the performance of the company was slightly lesser as compared to the previous financial year. Your Company has achieved revenue from operations of Rs. 29,810.67 Lakhs as compared to Rs.32,947.73 Lakhs in previous financial year, and Operational Profit (PBT) stood at Rs.2147.64 Lakhs as compared to Rs. 2602.59 Lakhs in previous financial year. Further Segment wise result of operation is as under:-

Textile Division

During the year, its revenue from operation from Textile Division was Rs. 25699.82 Lakhs including export sales of Rs 23341.06 Lakhs (FOB) as against Rs.29081.49 Lakhs including export of Rs. 22920.3 Lakhs in previous year, the growth of the division is substantial. The performance of the division was well during the year.

Agency Division

This division looks after the consignment stockiest of GAIL (India) Ltd. for marketing and distribution of polymers in Rajasthan. During the year the Agency Division has sold HDPE/LLDPE Granules 27105.22 mt. amounting to Rs. 27219.54 Lakhs in comparison of 21639.87 mt. amounting of Rs. 19861.75 Lakhs and earned commission of Rs.107.05 Lakhs (before tax) as compared to last year Rs. 88.40 Lakhs. The division has performed well during the year under review.

Garment Division

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

Technical Textile Division

This division looks after the manufacturing of artificial leather through technical textile. During the year, revenue from operation from this division was Rs. 4003.80 Lakhs including export sales of Rs. 669.40 Lakhs (FOB) as compared to Rs. 3777.85 Lakhs in previous financial year. The performance of the division was satisfactory in spite of the strict lockdown. During the year company had installed the second coating line machine and started production on it.

Impact of COVID-19 Pandemic

During the period under review, the Company's/Group's operations, revenue and consequently profit were impacted due to Covid-19. The company has made detailed assessment of its liquidity position for the next year and recoverability and carrying value on its assets comprising property, plant & equipment, tangible assets, right to use assets, investments, inventory and trade receivables. Based on the current indicators of future economic conditions, the company expects to recover the carrying's amount of these assets. It has also assumed the probability of occurrence of forecasted transactions under the hedging relationships and continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of potential future impact of COVID-19 which may be different from that estimated as at the date of approval of these standalone Ind AS financial Statements. The company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

The impact of the pandemic in the subsequent period is highly dependent on the situations as they evolve and hence may be different from that estimated as at the date of approval of these standalone and consolidated financial results.

3. DIVIDEND

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

4. AMOUNTS TRANSFERRED TO RESERVES

Your Board proposed to transfer Rs.48.58 to General Reserve in terms of Section 134(3)(j) of the Companies Act, 2013 for the financial year ended on March 31, 2021. Further, the Balance specified in the individual head is detailed as below:

S. No.	Reserve Head	Opening Balance	Addition	Deduction	Closing Balance
1.	Revaluation Reserve	4,411.60	0.00	48.58	4,363.02
2.	General Reserve	123.63	48.58	0.00	172.21
3.	Retained Earnings	7,922.94	1,567.73	0.00	9,490.67

5. CHANGE IN NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year 2020-21.

6. INFORMATION ABOUT SUBSIDIARIES/ ASSOCIATES COMPANY/ JOINT VENTURES

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

7. CHANGES IN CAPITAL STRUCTURE

The Authorised Share Capital of the Company is Rs.7,00,00,000 (Rupees Seven Crores Only) divided into 70,00,000 (Seventy Lakhs) Equity Shares of Rs. 10.00 (Rupees Ten Only) each. Further, the paid up capital of the company is Rs.5,22,10,000 (Rupees Five Crores Twenty Two Lakhs Ten Thousand) divided into 52,21,000 (Fifty Two Lakhs Twenty One Thousand) Equity Shares of Rs.10/- (Rupees Ten Only) each.

During the year under review, there is no change in the Capital Structure of the company. There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year. Further, the Company has not issued shares with differential voting rights or sweat equity shares, nor has it granted any stock options.

8. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website on www.kgpetro.in

9. MATERIAL CHANGES AND COMMITMENTS

In pursuance to section 134(3) (L) of the Companies Act, 2013, no material changes and commitments have occurred after the closure of the financial year to which the financial statements relate till the date of this report, affecting the financial position of the Company.

10. MATERIAL ORDERS

In pursuance to Rule 8 (5) (vii) of the Companies (Accounts) Rules, 2014, no significant or material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

11. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of the advances given and Investments made are provided in the Financial Statements (Please refer to Note no. 15 and Note no. 11 in the financial Statements). Further, the company has not given any Guarantee or provided any Security in connection with any loan taken by any person.

12. RELATED PARTY TRANSACTION

During the financial year ended March 31, 2021, all transactions with the Related Parties as defined under section 188 the Companies Act, 2013 read with Rules framed there-under and Regulation 23 of the Listing Regulations were in the 'ordinary course of business' and 'at arm's length' basis. Your Company does not have a 'Material Subsidiary' as defined under Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

During the year under review, your Company did not enter into any Related Party Transactions which require prior approval of the Members. All Related Party Transactions of your Company had prior approval of the Audit Committee and the Board of Directors, as required under the Listing Regulations. Subsequently, the Audit Committee and the Board have reviewed the Related Party Transactions on a periodic basis. During the year under review, there has been no materially significant Related Party Transactions having potential conflict with the interest of the Company.

Necessary disclosures required under the AS 18 have been made in Note No. 43 of the Notes to the Financial Statements for the year ended March 31, 2021.

Your Company has formulated a Policy on materiality of Related Party Transactions and the said Policy has been uploaded on the website of the Company at www.kgpetro.in Further, your Company has an internal mechanism for the purpose of identification and monitoring of Related Party Transactions.

13. PARTICULARS OF CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO

Pursuant to provisions of Section 134(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are attached as '**Annexure 1**' to this report.

14. CREDIT RATINGS

During the financial year 2020-2021, on the basis of recent development including operational and financial performance of the Company, CARE Ratings Agency has reaffirmed stable rating as follows:

Facilities	Ratings	Rating Action
Long Term Bank Facilities	CARE BBB; Stable (Triple B; Outlook: Stable)	Reaffirmed
Long Term/ Short term Bank Facilities	CARE BBB; Stable / CARE A3+ (Triple B; Outlook: Stable / A Three Plus)	Reaffirmed
Short Term Bank Facilities	CARE A3+(A Three Plus)	Reaffirmed

Further, the company has been regular in making principal and interest repayments to the Banks and financial institutions.

15. BOARD AND COMMITTEE MEETINGS

The details of Board and Committee meetings held during the financial year ended on March 31, 2021 and the attendance of the Directors are set out in the Corporate Governance Report which forms part of this report.

The frequency of board meetings and quorum at such meetings were in accordance with the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-1 on Meetings of the Board of Directors issued by ICSI. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the Listing Regulations

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board plays crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board of Directors and keep our governance practices under continuous review. As on March 31, 2021, the total Board strength comprises of 8(Eight) Directors out of which 4 (Four) Directors are Executive Directors and 4 (Four) are Non- Executive Independent Directors. All Independent Directors of the company as on the date of this report have also registered on Independent Directors in Database of IICA for Independent Directors.

The Company's Board Members are from diverse backgrounds with skills and experience in critical areas like Marketing, Finance & Taxation, Economics, Law, Governance etc. Further, all Independent Directors are persons of eminence and bring a wide range of expertise and experience to the board thereby ensuring the best interests of stakeholders and the Company. They take active part at the Board and Committee Meetings by providing valuable guidance to the management on various aspects of Business, Policy Direction, Compliance etc. and play critical role on issues, which enhances the transparency and add value in the decision making process of the Board of Directors.

The composition of the Board also complies with the provisions of the Companies Act, 2013 and Regulation 17 (1) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory, as well as business requirements.

During the year under review, the following changes occurred in the Board of Directors:

A) RETIRE BY ROTATION

- In accordance with the provisions of the Articles of Association of the Company, read with Section 152 of the Companies Act, 2013 Mrs. Prity Singhal, Director of the Company was liable to retire by rotation at the 40th Annual General Meeting of the company and was appointed therein.
- In accordance with the provisions of the Articles of Association of the Company, read with Section 152 of the Companies Act, 2013 Mr. Manish Singhal, Director of the Company of the company, of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

B) APPOINTMENT/RE-APPOINTMENT AND CESSATION OF DIRECTOR's & KMP's

S. No	Directors/ KMP Name	Designation/ Re-Designation	Date of Appointment	Date of Cessation
1	Ms. Swati Singh	Company Secretary and Compliance Officer		25/05/2020
2.	Ms. Akshita Pareek	Company Secretary and Compliance Officer	07/07/2020	26/02/2021
3.	Ms. Antima Madhani	Company Secretary and Compliance Officer	23/03/2021	
4.	Mr. Shiv Ratan Sharma	Chief Financial Officer		26/08/2020
5.	Mr. Pramod Kumar Sharma	Chief Financial Officer	26/08/2020	29/10/2021
6.	Mr. Deepak Singhvi	Chief Financial Officer	12/11/2020	-
7.	Mr. Kuldeep Sharma	Additional Executive Director	13/02/2021	-
8.	Mr. Anand Mishra	Additional Independent Director	13/02/2021	-

- Mr. Kuldeep Sharma was appointed as Additional Director (Executive) of the company on February 13, 2021 and it is proposed to appoint him as Wholetime Director at the ensuing Annual General Meeting for a term of 3 (three) consecutive years as per terms and condition defined under resolution in the Notice of Annual General Meeting.
- Mr. Anand Mishra was appointed as Additional Director (Independent, Non-Executive) on February 13, 2021 who will hold office upto the date of ensuing Annual General Meeting of the Company, and it is proposed to appoint him for the term of 5(five) consecutive years as per terms and condition defined under resolution in the Notice of Annual General Meeting.

Necessary resolutions for the appointment/re-appointment of aforesaid Directors, wherever applicable, have been incorporated in the notice convening the ensuing AGM. As required under the listing regulations and Secretarial Standards on General Meetings issued by ICSI, the relevant details of Directors retiring by rotation and/or seeking appointment/re-appointment at the ensuing AGM are furnished to the notice of AGM.

As per provision of the Section 203 of the Companies Act 2013, Mr. Gauri Shanker Kandoi Chairman cum Whole-Time Director, Mr. Manish Singhal, Managing Director, Mrs. Prity Singhal Whole Time Directors, Mr. Deepak Singhvi Chief Financial Officer (CFO) and Ms. Antima Madhani Company Secretary were the Key Managerial Person of the Company as on March 31, 2021.

17. DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to the provisions of section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, all Independent Directors of the Company have given declaration that they meet the criteria of independence.

It is to be further noted that and per the provisions of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (as amended from time to time), every Independent Director appointed in the company required to clear the online proficiency self-assessment test conducted by the institute within a period of two years from the date of inclusion of his name in the data bank, failing which, his/her name shall stand removed from the databank of the Institute. In accordance to the said, all four Independent Directors of the company have registered their name as Independent Directors in Database of IICA and Mr. Anand Mishra has passed the online proficiency self-assessment test and Mr. Kamlesh Sharma is exempted to clear the said online proficiency self-assessment test. Further, Mr. Jai Prakash Khandelwal and Mr. Bridhi Chand Sharma will clear the online proficiency self-assessment test within prescribed time.

The terms & conditions for the appointment of Independent Directors are given on the website of the Company i.e. www.kgpetro.in.

Further, in terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties. The Independent Directors have also confirmed that they have complied with the Company's code of conduct prescribed in Schedule IV to the Companies Act, 2013.

18. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In compliance with the requirements of the Act and the Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors with regard to their roles, rights and responsibilities in the Company and provides details regarding the nature of the industry in which the Company operates the business models of the Company etc. which aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities.

The details of the familiarization program for Independent Directors are available on the Company's website www.kgpetro.in.

19. FORMAL ANNUAL EVALUATION

The board has carried out an annual evaluation of its own performance as well as performance of its committees and individual directors, including chairman, and managing directors pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board's performance was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The Committees' performance was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, terms of reference of committee effectiveness of committee meetings, etc.

The Chairman's performance evolution was linked to both the functioning of the board as a whole as well as the performance of each director. Independent directors reviewed the performance of the chairman of the Company after seeking inputs from the executive directors and non-executive directors.

The performance evaluation of Managing Directors and Executive directors of the Company was done by all the directors (excluding the director being evaluated).

The performance evaluation of Independent Directors was done by the entire board (excluding the director being evaluated).

The evaluation was carried out through a structured questionnaire prepared by the nomination and remuneration committee (NRC) separately for the board, committees, chairman, managing director and individual directors. The questionnaire and evaluation process were reviewed in the context of amendments to the Listing Regulations and the Act. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The Independent Directors, at their separate meeting (without the presence of non-independent directors and the members of management), reviewed & assessed inter-alia, the performance of non-independent directors and board as a whole and the performance of the chairman of the Company after taking into consideration the views of executive and non-executive board members. The independent directors at their separate meeting also assessed the quality, quantity and timeliness of flow of information between the Company's management and the board that was necessary for the board to effectively and reasonably perform their duties.

The NRC has also carried out evaluation of performance of every director. The board was satisfied on the evaluation process carried out.

20. AUDITOR AND REPORT THEREON

- **Statutory Audit**

In the 39th Annual General Meeting the members of the company has approved the appointment of R. Sogani & Associates, Chartered Accountants (FRN: 018755C) as Statutory auditor from the conclusion of 39th Annual General Meeting till the conclusion of the 44th Annual General Meeting of the Company, at a remuneration mutually agreed between the Board of Directors of the Company and the Auditors.

As per the provisions of section 40 of the Companies (Amendment) Act, 2017 there is no requirement for ratification of appointment of Statutory Auditor at every Annual General Meeting of the Company and therefore, it is not required to ratify the appointment every year.

The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company. The notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The auditors' report does not contain any qualification, reservation, adverse remark or disclaimer.

As per sub section 12 of section 143 of the Act during the financial year no fraud was reported by the Auditor of the Company in their Audit Report.

- **Secretarial Audit**

The Board of the company in compliance with section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 appointed M/s ARMS & Associates LLP, Company Secretaries (FRN P2011RJ023700) as the Secretarial Auditor to conduct the audit of the secretarial records of the company for the Financial Year 2020-21

An Audit Report issued in form MR-3 by M/s. ARMS & Associates LLP, Company Secretaries, in respect of the Secretarial Audit of the Company for the financial year ended on March 31, 2021, is attached as '**Annexure 2**' to this Report.

There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in the Report issued by them for the financial year 2020-21 which call for any explanation from the Board of Directors.

During the financial year 2020-21, no fraud was reported by the Secretarial Auditor of the Company in their Audit Report.

The Board has re-appointed M/s ARMS & Associates LLP, Company Secretaries as Secretarial Auditors, to conduct the secretarial audit of the Company for the financial year 2021-22. They have confirmed that they are eligible for the said appointment.

➤ **Annual Secretarial Compliance Report**

The Company has obtained an Annual Secretarial Compliance Report for the financial year ended March 31, 2021 from M/s. ARMS & Associates LLP in compliance with the Regulation 24A of the SEBI Listing Regulations and the SEBI circular CIR/CFD/CMD1/27/2019 dated February 8, 2019. The said Report for the financial year ended March 31, 2021 has been submitted to the Stock Exchanges within the prescribed statutory timelines and annexed to the Report on Corporate Governance.

- **Internal Audit**

In accordance with the provisions of section 138 of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company has appointed M/s Arpit Vijay & Co., Chartered Accountants, Jaipur (FRN: 017737C) as Internal Auditor of the Company for the financial year 2020-21.

The Internal Audit Report was received quarterly by the Company and the same were reviewed and approved by the Audit Committee and Board of Directors. The quarterly Internal Audit Report received for the financial Year 2020-21 is free from any qualification, further the notes on accounts are self-explanatory and the observations were looked into by the management.

During the financial year 2020-21, no fraud was reported by the Internal Auditor of the Company in their Audit Report.

M/s Arpit Vijay & Co., Chartered Accountants, Jaipur have been re-appointed by the Board, to conduct the Internal Audit of the Company for the financial year 2021-22.

- **Cost Audit**

In accordance of section 148 read with Sub Rule (3) of Rule 4 of Companies (Cost Records & Audit), Rules, 2014, Cost Audit for the FY 2019-20 is not applicable on the company.

21. COMMITTEES OF BOARD

The Board of Directors of the Company has constituted the following Committees:

- a) Audit Committee
- b) Corporate Social Responsibility Committee
- c) Nomination and Remuneration Committee
- d) Stakeholders Relationship Committee
- e) Finance Committee

The Committees' composition, charters and meetings held during the year and attendance thereat, are given in the Report on Corporate Governance forming part of this Annual Report.

22. INSIDER TRADING PREVENTION CODE

Pursuant to the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments thereto, the Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code").

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees and other connected persons who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for regulate, monitor and report trading adherence to the PIT Regulations. The same is available on the website of the Company at www.kgpetro.in

23. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Pursuant to the Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the company has set up a Direct Touch initiative, under which all Directors, employees/ business associates have direct access to the Chairman of the Audit Committee for this purpose. The Company promotes ethical behavior in all its business activities and in line with the best international governance practices, KGPL has established a system through which Directors, employees and business associates may report unethical behavior, malpractices, wrongful conduct, fraud, violation of Company's code of conduct without fear of reprisal. The Whistle-Blower Protection Policy aims to:

- Allow and encourage stakeholders to bring to the Management notice concerns about unethical behavior, malpractice, wrongful conduct, actual or suspected fraud or violation of policies.
- Ensure timely and consistent organizational response.
- Build and strengthen a culture of transparency and trust.
- Provide protection against victimization.

The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's intranet as well as on the Company's website www.kgpetro.in.

During the financial year, no whistle blower event was reported and mechanism is functioning well. The Audit Committee periodically reviews the existence and functioning of the mechanism. It reviews the status of complaints received under this policy on regular basis. The Committee has, in its report, affirmed that no personnel have been denied access to the Audit Committee.

24. CORPORATE SOCIAL RESPONSIBILITY

As a part of its initiative under the "Corporate Social Responsibility" (CSR) drive, the Company has undertaken project in the area of educational infrastructure facility. The project is in accordance with Schedule VII of the Act and the Company's CSR policy. Company had spent Rs. 34.05 Lakhs for the Financial Year 2020-21, further there was no shortfall.

The focus areas of the Company for utilizing the earmarked CSR Fund are as under:

- Health & Education and skill development
- Contributions to public funded Universities; Indian Institute of Technology (IITs)
- Environmental sustainability including water and sanitation, green energy,
- Humanitarian response

The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as '**Annexure 3**' and forms an integral part of this Report. The Policy has been annexed as '**Annexure 4**' of this report and the same is also uploaded on the Company's website at www.kgpetro.in

25. RISK MANAGEMENT POLICY

The Company has developed and implemented a risk management policy which encompasses practices relating to identification, assessment monitoring and mitigation of various risks to key business objectives. The Risk management framework of the Company seeks to minimize adverse impact of risks on our key business objectives and enables the Company to leverage market opportunities effectively.

26. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

In order to prevent sexual harassment of women at work place "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" was notified on December 09, 2013, under the said Act, every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

In terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace.

Company has formed an “Internal Complaints Committee” for prevention and redressal of sexual harassment at workplace. The Committee is having requisite members and is chaired by a senior woman member of the organization. Further, the Company has not received any complaint of sexual harassment during the financial year 2020-21. The following is a summary of sexual harassment complaints received and disposed of during the year 2020-21:-

Details of Complaints	
Number of complaints at the beginning of FY 2020-21	Nil
Number of complaints of sexual harassment received in the FY 2020-21	Nil
Number of complaints disposed off during the year to FY 2020-21	Nil
Number of complaints to be carried down to FY 2021-22	Nil
Number of complaints pending for more than ninety days	Nil

27. HUMAN RESOURCE MANAGEMENT, HEALTH AND SAFETY

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

Company continued to focus on attracting new talent while investing in organic talent development to help employees acquire new skills, explore new roles and realize their potential. The Company believes in empowering its employees through greater knowledge, team spirit and developing greater sense of responsibility. The total count of regular employees as at March 31, 2021 was 1289.

28. NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of section 178 of the Act, the Board, on the recommendation of the Nomination and Remuneration Committee, has framed a Nomination and Remuneration Policy providing (a) criteria containing selection and remuneration criteria of Directors, senior management personnel and performance evaluation of Directors/ Board/ Committees/ Chairman, has been designed to keep pace with the dynamic business environment and market-linked positioning. The policy has been duly approved and adopted by the Board, pursuant to the recommendations of the Nomination and Remuneration Committee of the Board.

The Nomination and Remuneration policy is available on the company's website at www.kgpetro.in. Further the salient features of the policy are given in the Report of Corporate Governance forming part of this Annual Report.

The Policy is directed towards a compensation philosophy and structure that will reward and retain talent and provides for a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

29. PARTICULARS OF EMPLOYEES

The disclosure as required under the provisions of section 197 of the Act read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 in respect of employees of the company will be provided upon request. In terms of first proviso to section 136(1) of the Act, the annual report and accounts excluding the aforesaid information are being sent to the shareholders and others entitled thereto. The said information is available for inspection by the shareholders at the registered office of the company during business hours on working days of the company up to the date of ensuing annual general meeting. Any shareholder interested in obtaining a copy thereof may also write to the company secretary of the company.

30. DEPOSITS

During the financial year under review, your Company has neither invited nor accepted or renewed any fixed deposit from public, shareholders or employees and no amount of principal or interest on deposits from public is outstanding as at the Balance Sheet date in terms of provisions of section 73 to 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

31. INTERNAL FINANCIAL CONTROLS

Your Company put sufficient Internal Financial Control System adequate with the size of its business operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of your Company's operations, safe keeping of its assets, optimal utilization of resources, reliability of its financial information and compliance. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations.

During the financial year under review, the Statutory Auditor in their Report on the Internal Financial Control with reference to financial statements for the financial year 2020-21 has given unmodified report.

32. STATUS OF CASES FILED UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

The company has not made any application during the financial year 2020-2021.

33. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as stipulated under SEBI (LODR), Regulations, 2015 is given in '**Annexure 5**'.

34. CORPORATE GOVERNANCE

The Company has complied with the requirements of corporate governance as stipulated under the listing regulations. The Corporate Governance Report and certificate from Practicing Company Secretary confirming compliance of conditions as required by Regulation 34(3) read with Part E of Schedule V of the listing regulations, is given in 'Annexure 6'.

35. CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT

The code of conduct has been circulated to all the members of the Board and Senior Management Personnel and they have affirmed their compliance with the said code of conduct for the financial year ended on March 31, 2021.

A declaration to this effect signed by Mr. Manish Singhal, Managing Director and Mr. Deepak Singhvi Chief Financial Officer, of the Company stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and senior management is annexed as **Annexure B** to the Corporate Governance Report.

36. LISTING OF EQUITY SHARES

The equity shares of the Company are listed on BSE Ltd. on the Main Board Platform in the list of 'X' Group. Further the listing fees for the Financial Year 2021-22 have been duly paid by the company.

37. DEMATERIALISATION OF SHARES

The shares of your Company are being traded in electronic form and the Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, Members are requested to avail the facility of dematerialization of shares with either of the Depositories as aforesaid. As on March 31, 2021, 97.53% of the share capital stands dematerialized.

38. DETAILS OF NON-COMPLIANCE BY THE COMPANY

KG has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

39. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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

40. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Act:

- i) that in the preparation of annual accounts for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanations and disclosures relating to material departures, if any;
- ii) the Directors had selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of the affairs of the Company as at March 31, 2021 and of the profit of the Company for year ended on that date;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis;
- v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

41. CASH FLOW STATEMENT

As required under Regulation 53 of SEBI (LODR) Regulations, 2015, a Cash Flow Statement, as prepared under the indirect method as prescribed in Accounting Standard-3 (AS-3) by the Institute of Chartered Accountants of India, is given along with Balance Sheet and Statement of Profit and Loss.

42. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Company for the year ended March 31, 2021 have been disclosed as per Division II of Schedule III to the Companies Act, 2013.

43. STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

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

44. OTHER DISCLOSURES

Other disclosures with respect to Board's Report as required under the Companies Act, 2013 and the Rules notified there under are either **NIL** or **NOT APPLICABLE**.

45. ACKNOWLEDGEMENT

Your Board is grateful for the continuous patronage of our valued customers and remains committed to serving their needs by delivering more style and comfort at every step. Our Board acknowledges and appreciates the relentless efforts by employees, workmen and staff including the Management headed by the Executive Directors who have all worked together as a team in achieving a commendable business performance year on year.

Your Board wishes to place on record their appreciation for the co-operation and support received from the Banks, Government Authorities, Customers, Suppliers, BSE, CDSL, NSDL, Business Associates, Shareholders, Auditors, Financial Institutions and other individuals/ bodies for their continued co-operation and support.

Your Board wishes to place on record its deep appreciation of the Independent Directors and the Non-Executive Directors of the Company for their great contribution by way of strategic guidance, sharing of knowledge, experience and wisdom, which helps your Company to take the right decisions in achieving its business goals and to maintain its position as one of the leading players in Fabrics Industry, in India and around the world.

**By the Order of Board of Directors
for KG Petrochem Limited**

Sd/-

**Gauri Shanker Kandoi
(Chairman and Whole Time Director)
DIN: 00120330**

Date: August 20, 2021

Place: Jaipur

Registered Office:

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

Tel.: 91-141-2331231; Email: jproffice21@Bhavik.Biz; Website: www.kgpetro.in;

CIN: L24117RJ1980PLC001999

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

Particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2021.

I. CONSERVATION OF ENERGY

a. The step taken or impact on conservation of energy

For the company conservation of energy is a prime focus area and hence various steps were taken at its manufacturing units to create a sustainable future through reduction of energy footprint and for reduction in non-essential loads to conserve power by increasing the production in each run. Some of the key initiatives are as follows:

- Energy conservation has been an important thrust area for the Company and is continuously monitored. The adoption of energy conservation measures has helped the Company in reduction of cost and reduced machine down-time
- Energy conservation is an ongoing process and new areas are continuously identified and suitable investments are made, wherever necessary
- Various on-going measures for conservation of energy include
 - 1) use of energy efficient lighting and better use of natural lighting,
 - 2) Reduction of energy loss,
 - 3) Replacement of outdated energy intensive equipment.

b. Impact of above measures:

The above measures have resulted in environment protection and more efficient utilization of power & reduction in energy consumption has considerably reduced the expenses and cost of production of goods.

c. The steps taken by the company for utilizing alternate source of the energy

Set up of Solar Plant having load capacity of 200 KVA

II. TECHNOLOGY ABSORPTION

a. The efforts made towards technology absorption

Efforts are being made towards improvements

b. The benefits derived like product improvement, cost reduction, product development or import substitution

- Improved quality and productivity.
- Conservation of fuel & reduced emissions.

c. In case of imported technology: NIL

III. FOREIGN EXCHANGE EARNING & OUTGO

Foreign exchange earnings	:	Rs. 24,010.46 Lakhs (FOB)
Foreign exchange used	:	Rs. 149.80 Lakhs

**By the Order of Board of Directors
for KG Petrochem Limited**

Sd/-

**Gauri Shanker Kandoi
(Chairman and Whole Time Director)
DIN: 00120330**

Date: August 20, 2021

Place: Jaipur

Registered Office:

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

Tel.: 91-141-2331231; Email: jproffice21@Bhavik.Biz; Website: www.kgpetro.in;

CIN: L24117RJ1980PLC001999

Form MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

**To,
The Members,
KG Petrochem Ltd
C-171, Road No.9J, V.K.I. Area,
Jaipur-302013 Rajasthan**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KG Petrochem Ltd (CIN L24117RJ1980PLC001999)** (*"the Company"*). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/ Statutory Compliances and expressing my opinion thereon.

Based on our verification of the company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 (*"Audit Period"*) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB). **Not Applicable to the Company during the audit period.**

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable to the Company during the audit period**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable to the Company during the audit period.**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: **Not Applicable to the Company during the audit period.**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable to the Company during the audit period.**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable to the Company during the audit period.**
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015.
- vi. As confirmed and certified by the management, there are no sector/industry specific laws that are applicable specifically to the company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes

on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured (*if any*) and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events/ actions having a major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

**For ARMS & Associates LLP
Company Secretaries
ICSI URN: P2011RJ023700**

**Date: August 12, 2021
Place: Jaipur
UDIN: F005398C000773220**

**SD/-
Sandeep Kumar Jain
Designated Partner
FCS 5398 CP No.4151**

This report is to be read with our letter of even date which is annexed as '**Annexure -A**' and form an integral part of this report.

Annexure – A

**To,
The Members,
KG Petrochem Ltd
C-171, Road No.9J, V.K.I. Area,
Jaipur-302013 Rajasthan**

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management Representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the Provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For ARMS & Associates LLP
Company Secretaries
ICSI URN: P2011RJ023700**

**Date: August 12, 2021
Place: Jaipur
UDIN: F005398C000773220**

**SD/-
Sandeep Kumar Jain
Designated Partner
FCS 5398 CP No.4151**

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company: KG Petrochem Limited (KG) believes in corporate excellence and social welfare. This corporate philosophy is the force for integrating Corporate Social Responsibility (CSR) into KGPL values, culture, operation and business decisions at all levels of the organization. Being a responsible corporate citizen, KGPL has a long and cherished tradition of commendable initiatives, institutional programmes and practices of corporate social responsibility which plays a role to improving life of the people and the surrounding environment. With this belief, the Company is committed to make substantial improvements in the social framework and education of the nearby community.

2. The Composition of the CSR Committee as on March 31, 2021 is as under:

Sr. No.	Name of Director	Designation/ Nature of Directorship	No. of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during year
1	Mr. Gauri Shanker Kandoi	Chairman, Executive Director	1	1
2	Mr. Manish Singhal	Member, Executive Director	1	1
3	Mr. Bridhi Chand Sharma	Member, Non-Executive Director	1	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: **www.kgpetro.in**
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014: **Not Applicable**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
N.A.			

6. Average net profit of the company as per Section 135(5): **Rs. 1,702.53 Lakhs**
7. a. Two percent of average net profit of the company as per section 135(5): **Rs. 34.05 Lakhs**
 b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**
 c. Amount required to be set off for the financial year, if any: **NIL**
 d. Total CSR obligation for the financial year (7a+7b-7c): **Rs. 34.05 Lakhs**
- a. CSR amount spent or unspent for the financial year

Total Amount spent for the financial year (In Rs.)	Amount Unspent (in Rs)				
	Total amount transferred to unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under schedule VII as per second proviso to section 135(5)		
2020-21	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
85,11,000	NA				

b. Details of CSR amount spent against ongoing projects for the financial year: **NIL**

c. Details of CSR amount spent against other than ongoing projects for the financial year:

(Rs. in Lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII	Local area (Yes/ No)	Location of the project		Project Duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to unspent CSR Account for the project as per section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/ No)	Name	CSR Registration Number
1	Development Office IIT Delhi	(ix) (b)	No	Delhi	Delhi	1 Year	100.00	85.11	N.A.	Yes	N.A.	-

d. Amount spent in Administrative Overheads: **NIL**

e. Amount spent on Impact Assessment, if applicable: **NIL**

f. Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 85.11 Lakhs**

g. Excess amount for set off, if any: **Rs. 51.06 Lakhs**

(Rupees In Lakhs)

S. No.	Particulars	Amount
1.	Two percent of average net profit of the company as per section 135(5)	34.05
2.	Total amount spent for the Financial Year	85.11
3.	Excess amount spent for the financial year [(ii) - (i)]	51.06
4.	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years, if any.	-
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	51.06

a. Details of Unspent CSR amount for the preceding three financial years:

(Rupees In Lakhs)

S. No.	Preceding Financial Year	Amount transferred to unspent CSR Account under Section 135(6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135 (6)			Amount remaining to be spent in succeeding financial years.
				Name of Fund	Amount	Date of Transfer	
1.	2019-2020	0.00	0.15	NA			0.00
2.	2018-2019	0.00	2.58	NA			0.00
3.	2017-2018	0.00	17.06	NA			0.00
	Total						0.00

b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NIL**

8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **NA**
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **NA**

Date: August 14, 2021
Place: Jaipur

SD/-
Manish Singhal
Managing Director
DIN : 00120232

By the Order of Board of Directors
for KG Petrochem Limited
SD/-
Gauri Shanker Kandoi
Chairman cum Whole-Time Director
DIN: 00120330

Registered Office:

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

Tel.: 91-141-2331231; Email: jproffice21@Bhavik.Biz; Website: www.kgpetro.in;

CIN: L24117RJ1980PLC001999

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

I. PREAMBLE

KG Petrochem Limited believes in corporate excellence and social welfare. This corporate philosophy is the force for integrating Corporate Social Responsibility (CSR) into KG Petrochem values, culture, operation and business decisions at all levels of the organization. Being a responsible corporate citizen, KG Petrochem Limited has a long and cherished tradition of commendable initiatives, institutional programmes and practices of corporate social responsibility which plays a role to improving life of the people and the surrounding environment. With this belief, the Company is committed to make substantial improvements in the social framework of the nearby community.

II. DEFINITION

- (a) "Act" means the Companies Act, 2013 and Rules framed there under;
- (b) The word "Company", wherever occur in the policy shall mean "KG Petrochem Limited".
- (c) "Corporate Social Responsibility (CSR)" means and includes but is not limited to :-
 - (i) Projects or programs relating to activities specified in Schedule VII to the Act; or
 - (ii) Projects or programs relating to activities undertaken by the Board of Directors of the Company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.
- (d) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- (e) "CSR Policy" relates to the activities to be undertaken by the Company as specified in Clause IV of this policy or Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company.
- (f) "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.
- (g) "Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:
 - (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act: Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act.

- (h) "Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.
- (i) Terms that have not been defined in this policy shall have the same meaning assigned to them under the Companies Act, 2013 and rules made thereunder.

III. INTERPRETATION

Words and expressions used and not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 or rules made there under, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other Guidelines/ Regulation(s) promulgated by SEBI/ other statutory authorities and any amended(s) thereto from time to time.

IV. CONSTITUTION OF CSR COMMITTEE

1. The Committee shall consist of a minimum 3 Directors where one of whom shall be Independent Director.
2. Minimum two (2) members shall constitute a quorum for the Committee meeting.
3. Membership of the Committee shall be disclosed in the Annual Report.
4. Terms of the Committee shall be continued unless terminated by the Board of Directors.

V. CHAIRMAN

1. Chairman of the Committee shall be appointed by the Board of Directors or the Committee itself.
2. Chairman of the Company may be appointed as a member or Chairman of the Committee.
3. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
4. Chairman of the CSR Committee should present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

VI. FUNCTION OF CSR COMMITTEE

The CSR Committee shall:

1. Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in terms of Schedule VII of the Companies Act, 2013 or any amendment thereof.
2. Recommend the amount of expenditure to be incurred on CSR activities and
3. Monitor the CSR policy from time to time.
4. Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

- b. the manner of execution of such projects or programmes
- c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d. monitoring and reporting mechanism for the projects or programmes; and
- e. details of need and impact assessment, if any, for the projects undertaken by the company

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

VII. GUIDELINES

(a) Funding & Allocation

1. For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Board of Directors of VGL shall ensure that the Company spends at least 2% of its average net profits made during the three immediately preceding financial years, in pursuance of its CSR Policy.
2. If the company fails to spend such amount, the Board shall, in its report, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
3. Where a company spends an amount in excess of requirement provided under subsection (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –
 - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any;
 - (ii) the Board of the company shall pass a resolution to that effect.
4. Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
5. Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the

company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

6. The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –
 - (i) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
 - (ii) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (iii) a public authority:

(b) Mode of Implementation

1. CSR programs, projects or activities, will be implemented/undertaken by the Company through one or more of the following methods:
 - a. Company by Itself –
 - i. The Chairman of the CSR Committee and as agreed upon in the Committee.
 - ii. CSR Team consisting
 - b. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 established by the company, either singly or along with any other company.
 - c. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
 - d. In collaboration with other organizations.
 - e. Other entity as specified under the Act/Rules.
2. The allocated CSR budgets/ Corpus will be utilized for CSR activities undertaken within India:
 - a. which are not exclusively for the benefit of employees of the Company or their family members; and
 - b. which are not undertaken in pursuance of normal course of business of the Company.

(c) CSR Activities

The CSR initiatives of the Company are identified in consultation with the management, social experts, community and other stakeholders. The implementation strategy is planned in a way so as to give sustainable and scalable solutions. The identified focus areas for the Company are:

- i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

- iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- viii) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government;
- (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)
- x) Rural development projects;
- xi) slum area development;
- xii) disaster management, including relief, rehabilitation and reconstruction activities;

Explanation- For the purposes of this item, the term slum area shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

The Above list is illustrative not exhaustive. All activities under the CSR activities should be environment friendly and socially acceptable to the local people and Society and comes under the

purview of Schedule VII of Companies Act, 2013 and rules made thereunder, amended from time to time.

(d) Monitoring mechanism

The implementation of the CSR policy and execution of projects, programmes and activities undertaken by the Company shall be carried out under the overall superintendence, control and guidance of the CSR Committee. The CSR Committee shall closely monitor such activities and may also further constitute internal monitoring groups and/or sub-committees for different projects, programmes and activities, as may be required from time to time.

(e) Review

The minutes of the meetings of the CSR Committee shall be placed before the Board of Directors for their information. The Board of Directors shall have the power to make amendments, suggest new measures and/or otherwise amend the powers of the CSR Committee from time to time.

(f) CSR Reporting

1. The Board's Report of a company shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable;
2. The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website i.e. www.kgpetro.in, for public access.
3. (a) In case the company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

(b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

(c) A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

(g) Carry forward of Excess CSR Contribution

In case Company spends an amount in excess of the statutory requirements of the CSR obligation then Company may set off such excess amount against the requirement to spend under this subsection upto immediate succeeding three (3) financial years and in such manner, as prescribed in CSR rules.

(h) Transfer of unspent CSR Amount

If the Company fails to spend the CSR obligation then the Board shall specify the reasons for the same and:

1. Analyse the “unspent” amount
2. If and to the extent it pertains to “ongoing project” – transfer the unspent amount in a separate bank account [unspent CSR account] –within 30 days of the end of Financial Year
3. Or else, transfer unspent amount to National Unspent Fund, within 6 months of the end of the financial year.

VIII. BOARD RESPONSIBILITY

The Board of Directors of the Company shall ensure that:

1. CSR activities, as per clause 3 of this Policy, are undertaken by the Company.
2. the Company spends, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this Policy.
3. The Board of a company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
4. In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
5. The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

IX. REVIEW AND AMENDMENT

The Board may amend, abrogate, modify or revise any or all clauses of this Policy, on recommendation of the CSR Committee and in accordance with the provisions of Companies Act, 2013 and rules framed thereunder as and when required and that will be followed by the CSR Committee.

Last Amended August 20, 2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**WORLD ECONOMY**

The disruption wrecked by the ongoing COVID-19 pandemic put the global economy in recovery mode. Multiple vaccine approvals and the launch of vaccination in many countries raised hopes of an eventual end to the pandemic. Despite the high and rising human toll caused by the novel virus, economic activity remained subdued in 2020 as the global economy contracted by 3.3 per cent. Economies adapted to new ways of working after lockdowns were eased in the second half of the year. With the passage of time, businesses have adapted to subdued contact-intensive operations.

Yet, global prospects remain highly uncertain one year into the pandemic. New virus mutations and the accumulating human toll raise concerns, even as growing vaccine coverage lifts sentiment. Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic induced disruptions and the extent of policy support. Additional policy measures announced at the end of 2020, notably in the United States and Japan, are expected to support the global economy in 2021 and 2022. Global growth is projected at 6 per cent in 2021, moderating to 4.4 per cent in 2022, which reflects the additional fiscal support in certain advanced economies and the anticipated vaccine-powered recovery starting second half of 2021.

(Source: IMF World Economic Outlook, April 2021)

INDIAN ECONOMY

Even before the COVID-19 outbreak, the Indian economy was in slowdown mode. Led by a decline in private consumption growth, weaknesses in the financial sector compounded a collapse in investment demand. The COVID-19 outbreak that triggered a nationwide lockdown followed by phased opening of economic activities, impacted GDP growth in FY 2020-21.

The sub-sectors worst affected by the mobility restriction due to the lockdown included aviation, tourism, hospitality, trade, construction and industrial activity. The Government's huge spending on healthcare and infrastructure sectors, RBI's liquidity measures and the massive vaccination drive helped economic recovery in the second half of FY 2020-21. As per the second advance estimates of National Income by the Government's National Statistics Office (NSO), real GDP contraction is estimated around 8 per cent mainly on account of significant growth of subsidies.

The massive spending push of over Rs. 4 trillion announced in the Union Budget 2021-22 is expected to boost consumption supported by solid fiscal and quasi-fiscal measures.

The agriculture sector has been the only silver lining this fiscal year while the manufacturing sector also registered a partial recovery in the second half of this fiscal in anticipation of festival season demand.

As per the World Bank, India's GDP growth is estimated between 7.5-12.5 per cent during FY 2021-22 depending on the success of the vaccination campaign, requirement of mobility restrictions and global economic recovery. As economic activity normalizes domestically and in key export markets,

the current account is expected to return to a mild deficit of around 1 per cent in FY 2021-22 and FY 2022-23 while capital inflows are projected basis the continued accommodative monetary policy and abundant international liquidity conditions.

(Source: National Statistics Office, World Bank)

India's galloping GDP growth which was aiming for USD 5 Trillion by 2024 seems to have reached a sudden hurdle in the wake of a crisis of an unprecedented magnitude. With stock markets declining and the rupee depreciating, the economy at large has taken a hit. To fight against the COVID-19 pandemic, the Indian Government has taken special economic measures and these measures need to be calibrated considering economic necessities. While there has been an adverse impact across business sectors such as automobile, aviation, and luxury goods are amongst the major ones which would bear the brunt of the current challenges. As there is little visibility on how long the pandemic would last, the economic impact could range from a mild downturn to a severe slowdown. ket share.

TEXTILE INDUSTRY REVIEW

GLOBAL TEXTILE INDUSTRY

The year 2021 was challenging for the textile industry due to the worldwide lockdown initiated in the wake of the COVID-19 pandemic. The restrictive containment measures involving social distancing, remote working, and closure of non-essential commercial activities led to industry-wide problems of production and transportation.

The global textile market was estimated at USD 594.1 billion in 2020. With companies rearranging their operations and recovering from the COVID-19 impact, the market is expected to reach USD 654.7 billion in 2021 and grow at 6 per cent CAGR to reach USD 821.7 billion by 2025.

In 2020, Asia-Pacific was the largest textile market region, accounting for 51 per cent of the global market size; Western Europe was the second largest accounting for 17 per cent of the global market while Africa remained the smallest market. Increasing demand from a larger post-lockdown online apparel shopping platform is expected to be the main growth driver for this industry.

(Source: The Business Research Company, Textile Global Market Report 2021: COVID-19 Impact And Recovery To 2030.)

INDIAN TEXTILE INDUSTRY

The year gone by has drastically impacted all sectors, especially manufacturing and export which came to an abrupt halt and subsequently witnessed a slow pick-up, post the phased opening of economic activities. The textile industry which accounts for 12 per cent of Indian exports was also impacted due to labor unavailability or limited availability. However, clothes being one of the basic existential needs, the online textile and apparel industry witnessed a boom in sales even during the lockdown or restricted movement scenario.

The labor-intensive nature of the textile industry makes it the second largest employer, after agriculture, contributing 10 per cent to the country's manufacturing. The industry contributes 7 per

cent to the nation's total industry output and 2.3 per cent of the GDP. It also makes up 5 per cent of the global trade in textiles and apparel.

The Indian textile industry is among the oldest industries in the country dating back several centuries. India is the second largest producer and exporter of textiles after China as well as the fourth largest producer and exporter of apparel after China, Bangladesh and Vietnam. Superior quality makes companies in India export leaders. Almost two-thirds of India's export of textiles is to US and UK.

Despite the slowdown due to the pandemic, sales in the online textile and apparel industry witnessed a jump in various cities and states of India. The post-COVID-19 era provided a big opportunity for the industry to move online. In fact, e-retail may be the big game-changer with e-retailers expected to play a pivotal role in the recovery of the Indian economy in 2021.

COMPANY OVERVIEW

Established in 1980, KG Petrochem Limited (*hereafter referred to as the Company*). Founded by Mr Gauri Shanker Kandoi, Wholetime Director & Chairman; first-generation entrepreneur which is headquartered in Jaipur Rajasthan..

Your company is engaged in the business of manufacturing and services as under:-

- i. Manufacturing and marketing of Terry Towel, Made-ups & Garments etc. in the international market as well as domestic - Textile Division.
- ii. Manufacturing and marketing of Garments Products i.e. Bath Robe, Pillow, Cushion Cover and Quilts etc. – Garment Division.
- iii. Consignment Stockiest of GAIL (I) LTD. for marketing and distribution of polymers in Rajasthan- Agency Division.
- iv. Technical Textiles - Manufacturing of Artificial leather through technical textile

OPPORTUNITIES & THREATS

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

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 SYSTEMS & THEIR ADEQUACY

The Company's robust internal control systems for financial reporting are commensurate with the size and industries in which it operates. These systems ensure efficiency and productivity at all levels as well as safeguards its assets. Stringent procedures are in place to ascertain high accuracy in recording and providing consistent financial and operational support. Business operations are closely monitored by the internal team and an Audit Committee. The Management Board is promptly notified in case of any deviations. To ensure seamless growth, risk identification and assessment, as well as mitigation strategies are designed basis these findings.

The corporate audit division headed by Chief Financial Officer continuously monitors the effectiveness of the internal controls with an objective to provide to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organization's risk management, control and governance processes. The division also assesses opportunities for improvement in business processes, systems & controls; provides recommendations, designed to add value to the organization and follows up on the implementation of corrective actions and improvements in business processes after review by the Audit Committee of the Board of Directors.

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.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

We look our employees as our most valuable assets and have been working towards keeping them motivated and enthused. 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.

CAUTIONARY STATEMENT

The Management Discussion and Analysis Report containing your Company's objectives, projections, estimates and expectations may incorporate certain statements, which are forward-looking within the meaning of applicable laws and regulations. The statements in this Management Discussion and Analysis Report could differ materially from those expressed or implied elsewhere.

Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in governmental regulations, tax regimes, forex markets, economic developments within India and the countries within which the Company conducts business besides other incidental factors.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance at KGPL is a value-based framework to manage our Company affairs in a fair and transparent manner. As a responsible corporation, we use this framework to maintain accountability in all our affairs and employ democratic and open processes. We have evolved guidelines and best practices over the years to ensure timely and accurate disclosure of information regarding our financials, performance, leadership and governance of the Company. We believe in a Board of appropriate size and commitments to adequacy discharge its responsibilities and duties. We consistently review on a periodical basic all the systems policies and delegations so as to establish adequate and sound system of risk management and internal control.

BOARD COMPOSITION AND CATEGORY OF DIRECTORS

The Board plays crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board of Directors and keep our governance practices under continuous review.

As on March 31, 2021, the total Board strength comprises of 8(Eight) Directors out of which 4 (Four) Directors are Executive Directors Non Independent Directors and 4 (Four) are Non Executive Independent Directors. The Company's Board Members are from diverse backgrounds with skills and experience in critical areas like Marketing, Finance & Taxation, Economics, Law, Governance etc. Further, all Independent Directors are persons of eminence and bring a wide range of expertise and experience to the board thereby ensuring the best interests of stakeholders and the Company. They take active part at the Board and Committee Meetings by providing valuable guidance to the management on various aspects of Business, Policy Direction, Governance, Compliance etc. and play critical role on issues, which enhances the transparency and add value in the decision making process of the Board of Directors.

The composition of the Board also complies with the provisions of the Companies Act, 2013 and Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*hereinafter referred to as SEBI Regulations*). The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory, as well as business requirements. Further in the opinion of Board, the Independent Directors fulfill the conditions specified in SEBI Regulations as amended from time to time and are independent of management

The details of composition of the Board as on March 31, 2021 along with the attendance record of the Directors at the Board Meetings held during the financial year 2020-21, also the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are given herein below:

Name	Category	Designation	Number of Directorships in other companies#	No. of committee positions in other public companies	
				Chairperson	Member
Mr. Gauri Shanker Kandoi	Promoter & Executive Director	Whole-Time Director cum Chairman	Nil	Nil	Nil
Mr. Manish Singhal	Promoter & Executive Director	Managing Director	Nil	Nil	Nil
Mrs. Prity Singhal	Promoter & Executive Director	Whole-Time Director	Nil	Nil	Nil
Mr. Kuldeep Sharma	Promoter & Executive Director	Additional Director	Nil	Nil	Nil
Mr. Kamlesh Sharma	Non-Executive & Independent Director	Director	Nil	Nil	Nil
Mr. Jai Prakash Khandelwal	Non-Executive & Independent Director	Director	Nil	Nil	Nil
Mr. Bridhi Chand Sharma	Non-Executive & Independent Director	Director	Nil	Nil	Nil
Mr. Anand Mishra	Non-Executive & Independent Director	Additional Director	Nil	Nil	Nil

#It includes Public Limited Companies only.

1. All Director of the company except Mr. Bridhi Chand Sharma have attended the 40th Annual General Meeting of the Company held on 21st September, 2020.
2. Mr. Gauri Shaker Kandoi, Mrs. Prity Singhal and Mr. Manish Singhal are related to each other.
3. Non-executive Independent Directors of the company do not hold shares of the company as on March 31, 2021.
4. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Companies Act, 2013, SEBI Regulations and are independent of the management.

Skills/ Expertise/ Competence of the Board of Directors

As per the sub clause 'h' of clause 2 of part C of Schedule V of SEBI (LODR) Regulations, 2015 the Board has identified the following list of core skills/ expertise/ competencies required in the context of the Company's business which are available with the Board:

- Leadership/ Operational Experience
- Strategy and Planning
- Industry Experience, Research & Development and Innovation
- Global Business
- Corporate Governance
- Financial, Regulatory/ Legal and Risk Management

Name of the Director	Area of Expertise
Mr. Gauri Shanker Kandoi	Leadership/Operational Experience, Industry experience, Global Business, Financial, Regulatory/ Legal & Risk Management
Mr. Manish Singhal	Leadership/Operational Experience, Strategic and Planning, Industry experience, Research & Development and Innovation, Global Business
Mrs. Prity Singhal	Strategic and Planning, Industry experience, Global Business
Mr. Kuldeep Sharma	Strategic and Planning, Industry experience, Global Business
Mr. Kamlesh Sharma	Industry experience, Financial, Regulatory/ Legal & Risk Management, Corporate Governance
Mr. Jai Prakash Khandelwal	Leadership, Industry experience, Financial, Regulatory
Mr. Bridhi Chand Sharma	Industry experience, Regulatory/Legal & Risk Management, Corporate Governance
Mr. Anand Mishra	Leadership/Operational Experience, Strategic and Planning, Industry experience, Research & Development and Innovation, Global Business

CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT

The code of conduct has been circulated to all the members of the Board and Senior Management Personnel and they have affirmed their compliance with the said code of conduct for the financial year ended on March 31, 2021. The code of conduct has been posted on the Company's website: www.kgpetro.in

This code ensures compliance with the provisions of Regulation 27 of the SEBI (LODR) Regulations, 2015. A declaration to this effect signed by Mr. Manish Singhal, Managing Director and Mr. Deepak Singhvi, Chief Financial Officer of the Company stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and senior management is annexed as **Annexure B** to the Corporate Governance Report.

BOARD MEETING

Dates for the Board Meetings are decided well in advance and communicated to the Directors. Board Meetings were held at the Registered Office of the Company. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board to address specific needs of the Company are held as and when deemed necessary by the Board. In case of any exigency/ emergency, resolutions are passed by circulation.

The intervening period between two Board meetings is well within the maximum gap as prescribed under Regulation 17(2) of SEBI Regulations, Companies Act, 2013 and Secretarial Standard 1 issued by ICSI. The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any. The date of the Board meetings and attendance of Directors there at are as follows:

Date of Board Meetings and Attendance there at	Name of the Directors							
	Mr. Gauri Shanker Kandoi	Mr. Manish Singhal	Mrs. Prity Singhal	*Mr. Kuldeep Sharma	Mr. Kamlesh Sharma	Mr. Jai Prakash Khandelwal	Bridhi Chand Sharma	*Mr. Anand Mishra
07/07/2020	✓	✓	✓	NA	✓	✓	✓	NA
25/07/2020	✓	✓	✓	NA	✓	✓	✓	NA
26/08/2020	✓	✓	✓	NA	✓	✓	✓	NA
12/09/2020	✓	✓	✓	NA	✓	✓	✓	NA
12/11/2020	✓	✓	✓	NA	✓	✓	✓	NA
13/02/2021	✓	✓	✓	NA	✓	✓	✓	NA
15/03/2021	✓	✓	✓	✓	✓	✓	✓	✓
23/03/2021	✓	✓	✓	✓	✓	✓	✓	✓

*Mr. Kuldeep Sharma and Mr. Anand Mishra has been appointed as Additional Director on February 13, 2021.

MEETING OF INDEPENDENT DIRECTORS

In compliance of Section 149 of Companies Act, 2013 read with SEBI Regulations, a separate meeting of Independent Directors was held on August 12, 2020 inter alia, to discuss:

- Review of the performance of Non-Independent Directors and the Board of Directors as a whole.
- Review of the performance of the Chairman of the Company taking into account the views of the Executive and Non-Executive Directors.
- Assess the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Attendance of Independent Directors at the meeting held on August 12, 2020 is given hereunder:

Name of director	Attendance there at
Mr. Kamlesh Sharma	✓
Mr. Jai Prakash Khandelwal	✓
Mr. Bridhi Chand Sharma	✓

BOARD COMMITTEES

The Board has five Committees namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Finance Committee.

AUDIT COMMITTEE

The Committee is governed by, in line with the regulatory requirements mandated by the Companies Act, 2013 and Regulation 18 of the SEBI Regulations. The primary objective of the Committee is to monitor and provide an effective supervision of the management's financial

reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting. The brief description of terms of reference of the Audit Committee, inter alia, includes the following:

1. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position as well as to ensure that correct, sufficient and credible information are disclosed;
2. Recommending to the Board the appointment, re-appointment and replacement/ removal of Statutory Auditor and fixation of audit fee and payment of any other service;
3. Reviewing with Management, the annual financial statements before submission to the Board for approval, focusing primarily on:
 - a. Matters required being included in the Directors' Responsibility Statement included in the report of the Board of Directors.
 - b. Any changes in accounting policies and practices thereof and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of Audit findings.
 - e. Compliance with Stock Exchange and other legal requirements concerning financial statements.
 - f. Disclosure of related party transactions.
 - g. The going concern assumption and compliance with Accounting Standards.
 - h. Qualifications in draft audit report.
4. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act, 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
5. To seek information from any employee;
6. To obtain outside legal and professional advice;
7. To seek approval or any subsequent modification of transactions of the company with related parties;
8. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
9. Reviewing with the management, the statement of uses/ application of funds raised through an issue i.e. public issue, rights issue, preferential issue, etc;
10. Reviewing, with the management, performance of Statutory and Internal Auditors, and adequacy of the Internal Control Systems;
11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
12. Discussion with Internal Auditors on any significant findings and follow up there on;
13. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the board;
14. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

15. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
16. Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate;
17. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
18. Review the management discussion and analysis of financial condition and results of operations;
19. Review the statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
20. Review the management letters/letters of internal control weaknesses issued by the Statutory Auditors;
21. Review the Internal Audit reports relating to internal control weaknesses; and The appointment, removal and terms of remunerations of the Chief Internal Auditor shall be subject to review by the Audit Committee;
22. Review the:
 - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7).
23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee of the Company comprises of three Non-Executive Independent Directors and is constituted in accordance with the requirements of the SEBI Regulations read with the Companies Act 2013. All the members of the committee are financially literate and possess thorough knowledge of accounting principles.

Composition and Attendance:

The Committee's Composition is in line with the requirements of section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Regulations.

The Statutory Auditors and Internal Auditors are invited to the Audit Committee Meetings to discuss with Directors the scope of audit, their comments, and to discuss the Audit Reports. Minutes of the Audit Committee Meetings are circulated to all the Members of the Audit Committee and thereafter discussed and noted at the subsequent Board Meetings.

The Company Secretary acts as Secretary to the Committee.

Name of Committee Members	Designation/ Category	Attendance of the members at the Committee Meetings					
		June 29, 2020	Aug 26, 2020	Sept 12, 2020	Nov 12, 2020	Feb 13, 2021	March 15, 2021
Mr. Jai Prakash	Non-Executive Independent	✓	✓	✓	✓	✓	✓

Khandelwal	Director; Chairman						
Mr. Kamlesh Sharma	Non-Executive Independent Director	✓	✓	✓	✓	✓	✓
Mr. Bridhi Chand Sharma	Non-Executive Independent Director	✓	✓	✓	✓	✓	✓

The intervening period between two Audit Committee meetings is well within the maximum gap of one hundred and twenty days as prescribed under Regulation 18(2)(a) of SEBI Regulations.

NOMINATION & REMUNERATION COMMITTEE

The Committee's constitution and terms of reference are in compliance with provisions of the section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Regulations. The Nomination and Remuneration Committee reviews and recommends the payment of salaries, commission and finalizes appointment and other employment conditions of Directors, Key Managerial Personnel and other Senior Employees. The brief description of terms of reference of the Nomination & Remuneration Committee, inter alia, includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
6. Recommended to the Board, all remuneration, in whatever form, payable to Senior Management;
7. Such other matters as the Board may from time to time request the Nomination and Remuneration Committee to examine and recommend/ approve;

Any other work and policy, related and incidental to the objectives of the Committee as per provisions of the Act and rules made there-under and the SEBI Regulations.

Composition and Attendance:

Name of Committee Members	Designation/ Category	Attendance of the members at the Committee Meeting				
		June 29, 2020	July 25, 2020	Aug 26, 2020	Nov 12, 2020	March 15, 2021
Mr. Kamlesh Sharma	Non-Executive Independent Director;	✓	✓	✓	✓	✓

	Chairman					
Mr. Jai Prakash Khandelwal	Non-Executive Independent Director	✓	✓	✓	✓	✓
Mr. Bridhi Chand Sharma	Non-Executive Independent Director	✓	✓	✓	✓	✓

The Company Secretary acts as Secretary to the Committee.

Details of Remuneration paid to Directors during Financial Year 2020-21

During the year, the Company has paid remuneration as mentioned below:

Name of the Director	Designation	Salary and allowances	Stock options/ Performance Incentive	Total
Mr. Gauri Shanker Kandoi	Whole-Time Director cum Chairman	84,00,000	-	84,00,000
Mr. Manish Singhal	Managing Director	84,00,000	-	84,00,000
Mrs. Prity Singhal	Whole-Time Director	68,25,000	-	68,25,000
Mr. Kuldeep Sharma	Additional Director	3,92,857	-	3,92,857

Notes:

- The Company does not have any pecuniary relationship with any Non-Executive Independent Director except for reimbursement of traveling expenses to the Directors for attending Board Meeting. No sitting fee is paid for attending the meetings of Board/ Committees of Directors.
- The company has issued memorandum of terms and conditions of appointment including remuneration to Managing Director and Whole-Time Director of the Company.

Criteria for performance evaluation of Independent Directors and the Board:

As per the provisions of the SEBI Regulations, the Nomination and Remuneration Committee (the "Committee") has laid down the evaluation criteria for performance evaluation of Independent Directors and the Board. The manner for performance evaluation/ assessment of the Directors (including Independent Directors), KMPs and the senior officials of the Company is conducted on an annual basis and to satisfy the requirements of the Companies Act, 2013 and SEBI Regulations.

The following criteria assist in determining how effective the performances of the Directors (including Independent Directors)/ KMPs/ Senior officials have been:

1. leadership & stewardship abilities;
2. contributing to clearly define corporate objectives & plans;
3. communication of expectations & concerns clearly with subordinates;
4. obtain adequate, relevant & timely information from external sources;
5. review & approval achievement of strategic and operational plans, objectives, budgets;
6. regular monitoring of corporate results against projections ;
7. identify, monitor & mitigate significant corporate risks;
8. assess policies, structures & procedures;
9. direct, monitor & evaluate KMPs, senior officials;
10. review management's succession plan;
11. effective meetings;
12. assuring appropriate board size, composition, independence, structure;
13. clearly defining roles & monitoring activities of committees;
14. review of corporation's ethical conduct.

Evaluation on the aforesaid parameters was conducted by the Independent Directors for each of the Executive/ Non-Independent Directors, in a separate meeting of the Independent Directors.

The Board evaluated/ assessed each of the Directors along with its own performance and that of the committees on the aforesaid parameters and in the manner as laid down below.

➤ **Of the Board as a whole:**

The performance of the Board was evaluated from the reviews/feedback of the directors themselves. The broad parameters for reviewing the performance of the Board, inter alia, contained the following:

- i. Development of suitable strategies and business plans at appropriate time and its effectiveness;
- ii. Implementation of robust policies and procedures;
- iii. Size, structure and expertise of the Board;
- iv. Oversight of the Financial Reporting Process, including Internal Controls;
- v. Willingness to spend time and effort to learn about the Company and its business.

➤ **Of Individual Director(s):**

Evaluation of Managing Director/Whole time Director /Executive Director: The performance evaluation of Managing Director, Executive Director of the Company was done by all the directors including Independent Directors.

➤ **Evaluation of Independent Directors:**

- i. The Schedule IV of the Companies Act, 2013, i.e. "Code for Independent Directors" provides for the evaluation of Independent Directors.
- ii. Under the view of this provision, the performance evaluation of ID's was done by the entire Board of Directors, excluding the director being evaluated on the basis of the following criteria and including the parameters of evaluation of individual directors:
- iii. Exercise of objective independent judgment in the best interest of Company and;

➤ **Evaluation of Committees:**

The performance of the Committees of the Board was evaluated by the Directors, on the basis of the terms of reference of the Committee being evaluated. The broad parameters/criteria for reviewing the performance of all the Committees, inter alia, were

- i. Discharge of the functions and duties as per the terms of reference;
- ii. Process and procedures followed for discharging the functions;
- iii. Effectiveness of suggestions and recommendations received;
- iv. Size, structure and expertise of the Committee; and
- v. Conduct of the meetings and procedures followed in this regard

Remuneration Policy:

In accordance with the provisions of section 178 of the Act, the Board, on the recommendation of the Nomination and Remuneration Committee, has framed a Remuneration Policy providing (a) criteria for determining qualifications, positive attributes and independence of directors and (b) a policy on remuneration for directors, key managerial personnel and other employees.

The Policy is directed towards a compensation philosophy and structure that will reward and retain talent and provides for a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The policy is placed on Company website www.kgpetro.in.

• **Remuneration to the Managing Director/ Whole-time Director:**

The Managing Director/ Whole-time Director shall be eligible for remuneration as per the ceiling limit prescribed under the Companies Act, 2013 and in accordance to the special resolution passed in the General Meeting. The same be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration as per law.

- **Remuneration to Non- Executive/ Independent Director:**

The Non-executive/ Independent Directors of the Company may be paid sitting fees, if any, as per the applicable Regulations and no sitting fee shall be paid to Executive Directors. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

- **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013, and if it is not able to comply with such provisions, with the prior approval of the Central Government.

- **Provisions for excess remuneration:**

If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013, or without the prior sanction of the Central Government, where required, he/ she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

STAKEHOLDERS RELATIONSHIP COMMITTEE

In compliance with the provisions of section 178 of the Companies Act, 2013 & Regulation 20 of SEBI Regulations, the Board has constituted the Stakeholders Relationship Committee. The Stakeholders Relationship Committee is entrusted with the responsibility of addressing the shareholders/ investors complaints with respect to transfer of shares, non-receipt of Annual Report, non-receipt of dividend etc.

The brief descriptions of terms of reference of the Stakeholders Relationship Committee, inter alia, include the following:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Composition and Attendance:

As on March 31, 2021, the Stakeholder's Relationship Committee comprises of members as stated below. The Composition of the Committee is in conformity with the Listing Regulations.

The composition of the Committee and attendance of the members at the meetings of the Committee are as under:

Name of Committee Members	Designation/ Category	Attendance of the members at the Committee Meetings
		May 29, 2020
Mr. Bridhi Chand Sharma	Non-Executive Independent Director; Chairman	✓
Mr. Gauri Shanker Kandoi	Executive Director; Member	✓
Mr. Manish Singhal	Executive Director; Member	✓

The Company Secretary acts as Secretary to the Committee.

➤ Investor Grievance Redressal:

During the financial year 2020-21 no complaints were received and resolved by the Company. Further, no complaint was pending as on March 31, 2021.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with the provisions of section 135 of the Companies Act, 2013, and Rules made thereunder the Company has constituted Corporate Social Responsibility Committee. The brief description of terms of reference of the Audit Committee, inter alia, includes the following:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Companies Act, 2013;
2. Recommend the amount of expenditure to be incurred on the Corporate Social Responsibility activities;
3. Monitor the Corporate Social Responsibility Policy of the company from time to time.

Composition and Attendance

As on March 31, 2021, the Corporate Social Responsibility Committee comprises of members as stated below. The Composition of the Committee is in conformity the provisions of the Companies Act, 2013 and with the Listing Regulations.

The composition of the Committee and attendance of the members at the meetings of the Committee are as under:

Name of Committee Members	Designation/ Category	Attendance of the members at the Committee Meetings
		December 10, 2020
Mr. Gauri Shanker Kandoi	Executive Director; Chairman	✓
Mr. Manish Singhal	Executive Director; Member	✓
Mr. Bridhi Chand Sharma	Independent Director; Member	✓

GENERAL BODY MEETINGS

The details of General Meetings held in the last three years are given below:

S. No.	Day, Date and Time of AGM/EGM	Venue	Special Resolution Passed
1	38 th AGM on August 31, 2018 at 10:30 A.M.	Corporate Office	Sell, Lease or Dispose off the Assets of the Company
2.	39 th AGM on September 09, 2019 at 11:00 A.M.	Corporate Office	i. Appointment of Mr. Jai Prakash Khandelwal as an Independent Director for 5 years. ii. Appointment of Mr. Bridhi Chand Sharma as an Independent Director for 5 years. iii. Re-appointment of Mr. Kamlesh Sharma as an Independent Director for a iv. second term of five consecutive years. v. Sell/transfer/dispose of the Agency Division of the Company
3.	40 th AGM on September 21, 2020 at 11:30 A.M	Video Conferencing	i. Appointment, re designation of Shri Gauri Shanker Kandoi, Chairman cum Whole-Time Director for further 3 years. ii. Re-appointment of Mrs. Prity Singhal, Whole-Time Director for further 3 years iii. Appointment, re-designation of Mr. Manish Singhal (DIN: 00120232), Managing Director for further 3 years.

Pledge of Shares:

No Pledge has been created over the Equity Shares held by the Promoters and/or Promoter Group Shareholders during the Financial Year ended March 31, 2021.

Review of Legal Compliance Reports:

Alike the previous years, the Board, during the year, periodically reviewed the reports placed by the management with respect to adherence and compliance with various laws and regulations applicable on the Company. The Internal Auditors also reviewed the compliance status of the Company within their terms of reference and reported to the Audit Committee accordingly.

MEANS OF COMMUNICATION**Financial Results:**

- Pursuant to Regulation 33 (4) of SEBI Regulations, the Company has regularly furnished, by way of online electronic uploading on BSE Listing Centre the quarterly/ half-yearly/ annual audited results to the Stock exchanges i.e. BSE within the timelines prescribed by SEBI in this regard.
- The quarterly, half-yearly and annual results are also communicated through advertisement in Business Remedies in Hindi (Vernacular) language and Financial Express in English Language.

Website & Newsletter:

- The Company's website www.kgpetro.in contains a dedicated functional segment called 'Investors Information' where all the information needed by the shareholders is available, including the Corporate Governance Report, Shareholding Patterns, Financial Results, Annual Reports and other relevant intimations sent to exchanges.

News Releases, Presentations, etc:

- The official news, release, presentation that may be made to the Shareholders at the Annual General Meeting and the presentation as may be done to the analysts are posted on the Company's website www.kgpetro.in.

BSE Corporate Compliance & Listing Centre (the "Listing Centre"):

The Listing Centre of BSE is a web based application designed by BSE for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Media Releases, etc. are filed electronically on the Listing Centre.

SEBI Online Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting

Date & Day: Monday, September 27, 2021

Time: 12.30 P.M. (IST)

Venue: F-394(G), Road No. 9F2, VKI Area, Jaipur-302013 Rajasthan, through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) will be host at Corporate Office of the Company.

Phone Number: 0141-2331231

(ii) Financial Year

April 1, 2020 to March 31, 2021

(iii) Date of Book Closure/ Record Date

Tuesday September 21, 2021 to Monday September 27, 2021

(iv) Listing on Stock Exchange

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001; Scrip Code: 531609

The Company has paid the listing fees to the aforesaid Stock Exchange.

(v) Market Price Data- High/Low during each month during the Financial Year 2020-2021:

The details of monthly high and low price(s) on BSE, for the Financial Year 2020-2021 are as under:

Month	Stock Prices (Rs.)		Volume (in No. of shares)	BSE SENSEX	
	High Price	Low Price		High Price	Low Price
April 2020	63.50	46.80	772	33887.25	27500.79
May 2020	55.80	47.05	910	32845.48	29968.45
June 2020	54.35	49.25	3563	35706.55	32348.10
July 2020	98.00	50.50	28868	38617.03	34927.20
August 2020	109.95	78.85	14913	40010.17	36911.23
September 2020	102.35	83.60	7820	39359.51	36495.98
October 2020	99.00	82.75	3762	41048.05	38410.20
November 2020	148.05	83.45	14233	44825.37	39334.92
December 2020	166.00	140.15	242323	47896.97	44118.10
January 2021	159.95	144.05	4883	50184.01	46160.46

February 2021	189.40	148.90	23701	52516.76	46433.65
March 2021	264.95	170.00	27224	51821.84	48236.35

(vi) **Registrar & Share Transfer Agent**

Name & Address: Niche Technologies Pvt. Ltd. 71, 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata - 700 017 WB

Telephone: 033 - 22343576

Fax: 033 - 22156823

E-mail: nichetechpl@nichetechpl.com

Website: www.nichetechpl.com

(vii) **Share Transfer System**

In respect of shares held in dematerialized mode, the transfer takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved.

As required under Regulation 40(9) & (10) of the SEBI Regulations, a certificate is required to be obtained from a Practicing Company Secretary within one month of the end of each half of the financial year, certifying that all certificates have been issued within the time period specified in the Regulation from the date of lodgment for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies. The certificate in this regard has been obtained from M/s. ARMS & Associates LLP, Practicing Company Secretaries and the same has been forwarded to BSE.

(viii) **Distribution of Shareholding as on March 31, 2021**

i. Distribution of equity shareholding as on March 31, 2021:

Sr. No.	Shareholding of Nominal Value	No. of shareholders	% of shareholders	Share Amount in Rs.	% of shareholding
1	Up to 500	409	76.45	5,56,780	1.07
2	501 to 1000	86	16.07	7,40,980	1.42
3	1001 to 5000	23	4.30	4,56,910	0.87
4	5001 to 10001	2	0.37	1,23,500	0.24
5	10001 to 50000	4	0.75	7,93,590	1.52
6	50001 to 100000	1	0.19	5,26,000	1.00
7	100001 to above	10	1.87	4,90,12,240	93.88
Total		535	100.00	5,22,10,000	100.00

ii. Categories of equity shareholding as on March 31, 2021:

Category	No. of shares held	% of shareholding
Promoters	38,98,043	74.66
Corporate Bodies	2,66,419	5.10
Clearing Members	1,076	0.02
Non-Resident Indians	1,875	0.04
Resident Individuals	10,53,587	20.18
Total	52,21,000	100.00

iii. Top ten equity shareholders of the Company as on March 31, 2021:

Sr. No.	Name of shareholders	No. of Equity shares	% of holding
1	Sanjay Bansal	2,60,175	4.98
2	Vandita Jain	2,53,900	4.86
3	M T Financial Services Private Limited	2,10,000	4.02
	Vidit Jain	1,76,806	3.39
5	Siddharth Kedia	1,02,300	1.96
6	Prudential Capital Markets Ltd.	52,600	1.01
7	Manik Chand Fogla	35,200	0.67
8	Neelam Mittal	19,759	0.38
9	Prabhudayal Fogla	12,300	0.24
10	Asha Garg	12,100	0.23

(ix) **Dematerialization of shares and liquidity**

The Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to handle dematerialization of shares. As on March 31, 2021, a total of 50,91,950 equity shares which form 97.53% of the share capital stand dematerialized

(x) **Outstanding GDRs/ ADRs/ warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued GDRs/ ADRs/ Warrants or any convertible other instruments, which are convertible into equity shares of the Company during the financial year 2020-21 and no ADR/ GDR/Warrant convertible into equity share is pending for conversion as on March 31, 2021.

(xi) **Commodity price risk or foreign exchange risk and hedging activities**

The Company does not deal in hedging activities

(xii) **Green Initiative in Corporate Governance**

As per the MCA Circular Nos. 17/2011 dated April 21, 2011 & 18/2011 dated April 29, 2011, Ministry of Corporate Affairs has undertaken a Green Initiative in Corporate Governance whereby the shareholders desirous of receiving notices, documents and other communication

from the Company through electronic mode, can register their e-mail addresses with the Company. As a responsible citizen, your Company strongly urge our shareholders to support the Green Initiative by giving positive consent by registering/updating your email addresses with your respective Depository Participants or the Registrar and Transfer Agents of the Company, **Niche Technologies Pvt. Ltd** for the purpose of receiving soft copies of various communications including the Annual Report.

(xiii) Discretionary requirements Part E of Schedule II

On discretionary basis, the company has adopted clause C and E as mentioned in Part E of Schedule II of SEBI (LODR) Regulations, 2015.

(xiv) Plant Location

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

(xv) Corporate Identification Number (CIN)

The Company is registered with the Registrar of Companies, Jaipur, Rajasthan. The CIN allotted to the Company by the Ministry of Corporate Affairs is L24117RJ1980PLC001999.

(xvi) Correspondence Address

KG Petrochem Ltd

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

Tel.: 0141-2331231

Fax: 0141-2332845

Email id: jproffice21@bhavik.biz

Website: www.kgpetro.in

In Compliance of Regulation 46 of SEBI (LODR) Regulations, 2015, the Company has designated exclusive Email ID for redressal of Investor Grievances i.e. jproffice21@bhavik.biz

(xvii) Reconciliation of Share Capital Audit

A Qualified Practicing Company Secretary carried out the Quarterly Reconciliation of Share Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) of the total issued and listed Equity Share Capital. The Report on Reconciliation of Share Capital confirms that the total issued/paid up capital of the Company admitted with depositories is in agreement with the capital of the Company listed with the Stock Exchanges. Further none of the shares of the company are lying in suspense account as on March 31, 2021.

DISCLOSURES:

Financial Statements/ Accounting Treatments:

In the preparation of Financial Statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

Materially Significant Related Party Transactions:

All related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of business of the Company. There is no materially significant related party transaction made by the Company with Promoters, Directors, Key Managerial Personnel or other Designated Persons which may have a potential conflict with the interest of the Company at large. All related party transactions are placed before the Audit Committee and the Board for approval. The policy on related party transactions as approved by the Board is uploaded on the Company's website i.e. www.kgpetro.in as per Regulation 23 of the SEBI (LODR) Regulations, 2015.

Disclosure on Risk Management & Whistle Blower Policy:

Pursuant to section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Regulations, the Company has a Whistle Blower Policy for establishing a vigil mechanism for Directors and employees. The policy has been hosted on the website of the Company at www.kgpetro.in. The Board is periodically informed about the key risks and their minimization procedures. Business risk evaluation and management is an ongoing process within the Company.

The Audit Committee of the Board is committed to ensure fraud free work environment and for that purpose the Committee has laid down a Whistle Blower Policy providing a platform to all its stakeholders including employees and auditors, regulatory agencies and customers of the Company to report any suspected or confirmed incident of fraud/ misconduct through any of the following reporting protocols:

- Name of Vigilance Officer: Mr. Kamlesh Sharma
- E-mail: www.kgpetro.in.
- Written Communication to: Vigilance officer- Whistle Blower Policy C-171,Road NO.9J, V.K.I. Area, Jaipur-302013 Rajasthan

During the year, no one has been denied access to the audit committee. The Policy is also available at website of the Company www.kgpetro.in.

Details of non-compliance:

There is no instance of non-compliance during the period under review. Also, no penalties and/or strictures have been imposed on it by Stock Exchanges or SEBI or any Statutory Authority on any matter related to the capital markets during the last three years.

Familiarization Programme:

The Company has Familiarization Program for Independent Directors to familiarize them with regard to their roles, rights, responsibilities in the Company, along with industry, business operations, business model, code of conduct and policies of the Company etc. The Familiarization

Program has been disclosed on the website of the Company. The company's policy on familiarization programme is available on following web link: www.kgpetro.in.

Compliance with the mandatory requirements of Corporate Governance as per SEBI (LODR) Regulations, 2015:

The Company has complied with all mandatory requirements of Regulation 27 and Regulation 34 of the listing regulations. The statuses on the compliance with the non mandatory requirements are as under:

- The Company's standalone financial statements for the financial year ended as on March 31, 2021 were not qualified.
- The Company follows a robust process of communicating with the shareholders which has been mentioned in the report under "Means of Communication."
- The Internal Auditor of the Company directly submits Internal Audit Report to the Audit Committee on quarterly basis.

Details of fees paid by the company to its Statutory Auditors:

During financial year 2020-21 the company has paid following fees to its Statutory Auditors

Sr. No.	Particulars	Amount Paid in (Rs.)
1	Statutory Audit Fees	4,65,000/-

Apart from above nothing is paid by the company to the Statutory Auditors.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

In order to prevent sexual harassment of women at work place "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" was notified on December 09, 2013, under the said Act, every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

In terms of the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace.

Company has formed an "Internal Complaints Committee" for prevention and redressal of sexual harassment at workplace. The Committee is having requisite members and is chaired by a senior woman member of the organization. Further, the Company has not received any complaint of sexual harassment during the financial year 2020-21. During the financial year 2020-21, no complaint has been received by the members of the committee. Hence, no complaint is pending at the end of the financial year.

Certificate from Company Secretary in Practice:

The Company has received a certificate from M/s. ARMS & Associates LLP, Practicing Company Secretaries certified that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority for the financial year ending on March 31, 2021, which is annexed as **Annexure C** at the end of this report

MD and CFO Certification:

The certificate required under Regulation 17 (8) of SEBI (LODR) Regulations, 2015 duly signed by MD and CFO was placed before the Board and the same is attached to this Report as **Annexure D**.

Certificate of compliance of Corporate Governance:

The Company has obtained a certificate affirming the compliances of Corporate Governance from M/s Arms & Associates LLP, Practicing Company Secretaries, Jaipur and the same is attached to this Report as **Annexure E**. During the year under review the company has raised funds through preferential allotment as specified under SEBI Regulations.

ANNEXURE B

DECLARATION FOR THE COMPLIANCE WITH THE CODE OF CONDUCT

We, Manish Singhal, Managing Director and Deepak Singhvi, Chief Financial Officer of KG Petrochem Ltd, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company, applicable to them as laid down by the Board of Directors in terms of Schedule V of SEBI (LODR) Regulations, 2015, for the year ended March 31, 2021.

for KG Petrochem Ltd

SD/-
Manish Singhal
(Managing Director)
DIN: 00120232

SD/-
Deepak Singhvi
(Chief Financial Officer)

ANNEXURE C**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **KG Petrochem Ltd** having CIN: L24117RJ1980PLC001999 and having registered office at C-171, Road No. 9J, VKI Area, Jaipur-302013 Rajasthan (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para- C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No.	Name of the Director	DIN
1.	Gauri Shanker Kandoi	00120330
2.	Prity Singhal	02664482
3.	Manish Singhal	00120232
4.	Kuldeep Sharma	03475872
5.	Kamlesh Sharma	00037588
6.	Jai Prakash Khandelwal	08361188
7.	Bridhi Chand Sharma	08370330
8.	Anand Mishra	00288257

Ensuring the eligibility of, for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for ARMS and Associates LLP
Company Secretaries
ICSI URN: P2011RJ023700

Date: August 12, 2021
Place: Jaipur
UDIN: F005398C000773209

SD/-
Sandeep Kumar Jain
Designated Partner
FCS 5398 CP No.4151

MD/CFO CERTIFICATION

Under Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015

To
The Board of Directors
K G Petrochem Limited,
Jaipur

We, Manish Singhal, Managing Director and Deepak Singhvi, Chief Financial Officer of the Company, to the best of knowledge and belief, certify that:

- A. We have reviewed Financial Statements (Balance Sheet, Statement of Profit & Loss and all the Schedules and Notes to Accounts) and the Cash Flow Statement and Board's Report for the financial year 2020-21 and based on our knowledge and belief and information:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements and other information included in this annual report present a true and fair view of company's affair and are in compliance with current accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the financial year 2020-21 which are fraudulent, illegal or violative of the company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the 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 these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
1. significant changes in internal control over financial reporting during the year;
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system over financial reporting.

for KG Petrochem Ltd
SD/-
Manish Singhal
(Managing Director)
DIN: 00120232

SD/-
Deepak Singhvi
(Chief Financial Officer)

CERTIFICATE ON CORPORATE GOVERNANCE

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

1. We have examined the compliance of conditions of Corporate Governance of K G Petrochem Limited (“the Company”) for the year ended on March 31, 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [collectively referred to as “SEBI Listing Regulations”].

Management’s Responsibility for compliance with the conditions of SEBI Listing Regulations

2. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Our Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with the Corporate Governance requirements by the Company.
5. We have conducted our examination in accordance with the Guidance Note on Corporate Governance Certificate and the Guidance Manual on Quality of Audit & Attestation Services issued by the Institute of Company Secretaries of India (“ICSI”).

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned SEBI Listing Regulations.
7. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

for ARMS and Associates LLP
Company Secretaries
ICSI URN: P2011RJ023700

Date: August 12, 2021
Place: Jaipur
UDIN: F005398C000773231

SD/-
Sandeep Kumar Jain
Designated Partner
FCS 5398 CP No.4151



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Independent Auditor’s Report

To
The Members of KG Petrochem Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KG Petrochem Limited (“the Company”) which comprise the Balance Sheet as at 31st March, 2021 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow Statement for the year ended on that date and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (“IND AS”) and other accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2021, the Profit including Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the “Auditor's Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the



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Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act 2013 and the Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Attention has to be drawn to Note No. 53 to the financial statements regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and the assessment made by the management on its business and financials, including valuation of assets, policy liabilities and solvency for the year ended 31st March, 2021, this assessment and the outcome of the pandemic is as made by the management and is highly dependent on the circumstances as they evolve in subsequent periods. Our opinion is not modified on the above matter.

Key Audit Matter

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



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S.NO.	KEY AUDIT MATTER	AUDITOR'S RESPONSE
1.	<p><u>Replacement and component-based accounting in Property, Plant and Equipment:</u></p> <p>There are number of areas where management judgment is involved in respect of useful life in component-based accounting in property, plant and equipment and while derecognizing as a replacement accounting in property plant and equipment.</p> <p>Refer Note No. 4.7 to the financial statements.</p>	<p>Our audit procedures included the following:</p> <p>We tested controls in place over the property, plant and equipment cycle, evaluated the appropriateness of capitalization policies, performed tests of details on costs capitalized and assessed the timeliness of the transfer of assets and the application of the asset life including component assets life.</p> <p>In performing these substantive procedures, we assessed the judgments made by management including:</p> <ul style="list-style-type: none"> • The nature of underlying component costs capitalized as part of the cost of the assets; • The appropriateness of asset life applied in the calculation of depreciation; and



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		No issues were noted from our testing.
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Information other than the Financial Statements and Auditor’s Report thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. On audit report date, we have nothing to report in this regard, because the annual report is expected to be made available to us after the date of this auditor report.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position financial performance total comprehensive income changes in equity and cash flows of the Company in accordance with the Ind AS and



other accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the

assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion forgery intentional omissions misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013
- we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our



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auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence

obtained up to the date of us auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation structure and content of the financial statements including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit



matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013 we give in the “Annexure A” statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

1. As required by Section 143(3) of the Act we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d. In our opinion the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014.
- e. On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate Report in “Annexure B”.
- g. In our opinion and to the best of our information and according to the explanation given to us the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014 in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial positions in its financial statements – Refer note 44 to the financial statements.
 - ii. The Company has made provision as required under the applicable law or accounting standards for material foreseeable losses if any on long-term contracts including derivative contracts.



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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Jaipur
Date: 29-06-2021

For R Sogani & Associates
Chartered Accountants
FRN: 018755C

UDIN: 21403023AAABDT8757

Sd/-
(Bharat Sonkhiya)
Partner
Membership No.: 403023



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**ANNEXURE - A REFERRED TO IN THE AUDITOR'S REPORT ON THE
ACCOUNTS OF KG PETROCHEM LIMITED FOR THE YEAR ENDING 31
MARCH, 2021**

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

- 1) In respect of Fixed Assets (Property, Plant and Equipment):
 - a. The Fixed Asset Register of the Company is under process of updation.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year at reasonable intervals.
 - c. According to the information and explanations given to us, the records examined by us, we report that, the title deeds, comprising of all the immovable properties, which are held in the name of the Company as at the balance sheet date.
- 2) In respect of its inventories:

As explained to us, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- 3) In respect of loans:

According to the information and explanations given to us, the Company has not granted any loans secured and unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013.



- 4) As per information and explanations provided to us, in respect of loans, investments, guarantees and securities, provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
- 5) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any relevant provisions of the Companies Act, 2013 and the rules made thereunder.
- 6) In respect of cost records:
We have been explained that the maintenance of cost records has not been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 for the period under review for any of the products.
- 7) In respect of statutory dues:
 - a. The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Value Added Tax, Wealth Tax, Custom Duty, Goods and Service Tax, Cess and other material statutory dues as recorded in books of accounts applicable to it. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period more than six months from the date they became payable.



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Chartered Accountants

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- b. According to the information and explanations given to us, there are no dues of Income Tax, Wealth tax, Value Added Tax, Custom duty and Goods and Service Tax which have not been deposited on account of any dispute except the following:

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

- 8) In respect of repayment of dues:

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

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

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

- 11) In respect of managerial remuneration:

According to the information and explanations given to us, we report that managerial remuneration has been paid in accordance with the requisite



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approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.

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

13) In respect of related parties:

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

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

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

15) In respect of non-cash transactions with the directors:

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

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

Place: Jaipur
Date: 29-06-2021

For R Sogani & Associates
Chartered Accountants
FRN: 018755C

UDIN: 21403023AAABDT8757

Sd/-
(Bharat Sonkhiya)
Partner
Membership No.: 403023



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

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

We have audited the internal financial controls over financial reporting of KG Petrochem Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls



Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act 2013 to the extent applicable to an audit of internal financial controls both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's



internal financial control over financial reporting includes those policies and procedures that:

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Company has in all material respects judging by the nature and quantum of transactions appearing in the financial statements an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Jaipur

Date: 29-06-2021

For R Sogani & Associates
Chartered Accountants
FRN: 018755C

Sd/-

(Bharat Sonkhiya)

Partner

UDIN: 21403023AAABDT8757

Membership No.: 403023

K G PETROCHEM LIMITED, JAIPUR
CIN: L24117RJ1980PLC001999
Registered Office: C-171, Road No. 9J, VKI Area, Jaipur-302013
Corporate Office: F-394(G), Road No 9F-2, VKI Area, Jaipur-302013
E-mail: jproffice21@bhavik.biz / Phone : 91-141-2331231
BALANCE SHEET AS AT 31st MARCH, 2021

(Amount In lakhs)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	6	14,926.33	15,613.41
(b) Capital work-in-progress	7	369.83	302.06
(c) Financial Assets			
(i) Other Non-Current Financial Assets	8	270.47	267.83
(d) Other Non Current Assets	9	10.19	11.68
Current assets			
(a) Inventories	10	5,609.08	6,092.07
(b) Financial Assets			
(i) Investments	11	50.00	-
(ii) Trade Receivables	12	8,993.92	7,260.30
(iii) Cash and Cash Equivalents	13	142.45	39.77
(iv) Others Current Financial Assets	14	346.87	2,022.71
(c) Current Tax Assets (Net)			
(d) Other Current Assets	15	3,321.51	2,388.85
Total Assets		34,040.65	33,998.68
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	581.53	581.53
(b) Other Equity	17	14,039.75	12,458.17
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	5,549.91	6,136.46
(b) Deferred Tax Liabilities (Net)	19	191.73	243.02
(c) Other Non Current Liabilities	20	825.63	945.99
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	5,835.50	7,003.15
(ii) Trade Payables	22		
(a) Total Outstanding due to MSME		202.79	198.51
(b) Total Outstanding other than MSME		2,629.90	2,579.00
(iii) Other Current Financial Liabilities	23	3,775.76	3,361.08
(b) Other Current Liabilities	24	154.88	132.56
(c) Provisions	25	185.25	263.23
(d) Current Tax Liabilities (Net)	26	68.02	95.98
Total Equity and Liabilities		34,040.65	33,998.68

Significant accounting policies & Notes to Standalone Financial Statements

1 to 53

In terms of our separate Audit Report of even date

FOR R SOGANI & ASSOCIATES
Chartered Accountants
FRN: 018755C

Sd/-
(BHARAT SONKHIYA)
Partner
M. No. 403023

For & on behalf of the Board

FOR K G PETROCHEM LTD.

Sd/-
(G. S. KANDOI) Sd/-
Chairman Cum Wholetime Direc **(MANISH SINGHAL)**
DIN: 00120330 Managing Director
DIN: 00120232

Sd/-
(PRITY SINGHAL) Sd/-
Director **(DEEPAK SINGHVI)**
DIN: 02664482 CFO

Place : JAIPUR
Dated: 29.06.2021

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K G PETROCHEM LIMITED, JAIPUR

CIN: L24117RJ1980PLC001999

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

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

E-mail: jproffice21@bhavik.biz / Phone : 91-141-2331231

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH, 2021

(Amount in Lakhs)

Particulars	Note No.	For the period ended 31.03.2021	For the period ended 31.03.2020
I Revenue From Operations	27	29,810.67	32,947.73
II Other Income	28	815.47	919.03
III Total Income (I+II)		30,626.14	33,866.76
IV EXPENSES			
Cost of Material Consumed	29	13,832.87	15,222.82
Changes in inventory of finished goods & WIP	30	1,101.36	512.36
Manufacturing expense	31	6,834.40	7,825.16
Employee benefits expense	32	2,344.66	2,832.08
Finance costs	33	755.31	962.49
Depreciation and amortization expense	6	1,668.90	1,772.48
Other expenses	34	1,941.00	2,136.79
Total expenses (IV)		28,478.50	31,264.17
V Profit/(loss) before exceptional items and tax (I- IV)		2,147.64	2,602.59
VI Exceptional Items	35	-	548.33
VII Profit/(loss) before tax (V-VI)		2,147.64	2,054.26
VIII Tax expense:			
(1) Current tax		630.00	640.00
(2) Tax of earlier year	36	1.19	(11.23)
(3) Deferred tax		(51.28)	(321.60)
IX Profit (Loss) for the period from continuing operations (VII-VIII)		1,567.73	1,747.09
X Profit/(loss) for the period		1,567.73	1,747.09
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		-	-
a) Remeasurement gain/(loss) of the defined benefit plan		13.84	-
XI (ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XII Total Comprehensive Income for the period (X+XI)(Comprising Profit(Loss) and Other Comprehensive Income for the period)		1,581.57	1,747.09
Earnings per equity share (After exceptional items)			
XIII Basic		30.03	33.46
Diluted		30.03	33.46

In terms of our separate Audit Report of even date

For & on behalf of the Board

FOR R SOGANI & ASSOCIATES

Chartered Accountants

FRN: 018755C

FOR K G PETROCHEM LTD.

Sd/-
(BHARAT SONKHIYA)
Partner
M. No. 403023

Sd/-
G. S. KANDOI
Chairman Cum Wholetime Director
DIN: 00120330

Sd/-
(MANISH SINGHAL)
Managing Director
DIN: 00120232

Place : JAIPUR
Dated: 29.06.2021

Sd/-
(PRITY SINGHAL)
Director
DIN: 02664482

Sd/-
(DEEPAK SINGHVI)
CFO

K G PETROCHEM LIMITED, JAIPUR
CIN: L24117RJ1980PLC001999
Registered Office: C-171, Road No. 9J, VKI Area, Jaipur-302013
Corporate Office: F-394(G), Road No 9F-2, VKI Area, Jaipur-302013
E-mail: jproffice21@bhavik.biz / Phone : 91-141-2331231
STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(Amount In lakhs)

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

B. Other Equity

(Amount In lakhs)

Particulars	Reserves and Surplus		other comprehensive income		Total
	General Reserve	Retained Earnings	Revaluation Reserve	Equity Instruments through Other Comprehensive Income	
Balance as at April 1, 2019	52.72	6,175.85	4,482.51	-	10,711.08
Profit for the year	-	1,747.09	-	-	1,747.09
Addition during the year	70.91	-	-	-	70.91
Transferred during the year	-	-	(70.91)	-	(70.91)
Balance as at March 31, 2020	123.63	7,922.94	4,411.60	-	12,458.17
Balance as at 1st April, 2020	123.63	7,922.94	4,411.60	-	12,458.17
Profit for the year	-	1,567.73	-	-	1,567.73
Addition during the year	48.58	-	-	13.84	62.42
Transferred during the year	-	-	(48.58)	-	(48.58)
Balance as at March 31, 2021	172.21	9,490.67	4,363.02	-	14,039.75

In terms of our separate Audit Report of even date

FOR R SOGANI & ASSOCIATES
Chartered Accountants
FRN: 018755C

For & on behalf of the Board

FOR K G PETROCHEM LTD.

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(BHARAT SONKHIYA)
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Place : JAIPUR
Dated: 29.06.2021

Sd/-
(PRITY SINGHAL)
Director
DIN: 02664482

Sd/-
(DEEPAK SINGHVI)
CFO

KG PETROCHEM LIMITED
CIN: L24117RJ1980PLC001999
Registered Office: C-171, Road No. 9J, VKI Area, Jaipur-302013
Corporate Office: F-394(G), Road No 9F-2, VKI Area, Jaipur-302013
E-mail: jproffice21@bhavik.biz / Phone : 91-141-2331231
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2021

(Amount in Lakhs)

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	2020-21		2019-20	
	DETAILS	AMOUNT	DETAILS	AMOUNT
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before exceptional and tax as Statement Profit & Loss (Increase in Reserves)	2,147.64		2,054.26	
Adjusted for :-				
Transfer from Reserves	-		-	
Finance Cost	755.31		850.96	
Interest received	(73.92)		(184.38)	
Remeasurement gain/(loss) of the defined benefit plan	13.84		-	
Loss/(Profit) on Sale\written off of Fixed Assets	-		(2.73)	
Depreciation	1,668.90		1,772.48	
Operating Profit before Working Capital Changes	4,511.77		4,490.59	
Adjusted for:-				
Increase /(Decrease) in Trade Payables	55.18		(895.43)	
Increase /(Decrease) in Borrowings	(1,167.65)		1,741.33	
Increase /(Decrease) in Other financial liabilities	414.68		484.05	
Increase /(Decrease) in Other current liabilities	22.32		(8.04)	
Increase /(Decrease) in Other Non-current liabilities	(120.36)		79.05	
Increase /(Decrease) in Provisions (except IT)	(77.98)		40.86	
(Increase)/Decrease in Investments	(50.00)		-	
(Increase)/Decrease in Inventory	482.99		(160.13)	
(Increase)/Decrease in Trade receivables	(1,733.62)		(2.39)	
(Increase)/Decrease in Others current financial assets	1,675.84		(1,214.96)	
(Increase)/Decrease in Other current assets	(932.66)		(663.77)	
(Increase) / Decrease in Non current Financial Assets	(2.64)		(47.11)	
(Increase) / Decrease in Non current Assets	1.49		4.30	
Cash Generated From Operations	3,079.36		3,848.35	
Net Cash used in Operating Activities Before Extraordinary Items	3,079.36		3,848.35	
Cash Generated From Operations	3,079.36		3,848.35	
Less:- Taxes Paid	(659.15)		(738.21)	
Net Cash Flow/(used)From Operating Activities		2,420.21		3,110.14
B) CASH FLOW FROM INVESTING ACTIVITIES				
(Increase) / Decrease in Long Term Loans & Advances				
Purchase of Fixed Assets	(908.27)		(594.45)	
(Increase)/decrease to CWIP	(142.59)		(1,429.09)	
Proceeds From Sales\written off of Fixed Assets	1.28		4.00	
Interest received	73.92		184.38	
Net Cash Flow/(used) in Investing Activities		(975.67)		(1,835.16)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Procurement of Borrowings			-	
Repayment of Borrowings	(586.55)		(440.20)	
Capital Subsidy under TUF				
Interest paid	(755.31)		(850.96)	
Net Cash Flow/(used) From Financing Activities		(1,341.86)		(1,291.16)
Net Increase/ (Decrease) in Cash and Cash Equivalent		102.68		(16.19)
Opening balance of Cash and Cash Equivalent		39.77		55.96
Closing balance of Cash and Cash Equivalent		142.45		39.77

Notes:

1 Cash and Cash Equivalent consists of following:-

	Rs.	Rs.
Cash on hand	5.29	11.23
Balances with Banks	137.15	28.54
Closing balance of Cash and Cash Equivalent	142.45	39.77

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

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

4 Changes in liabilities arising from financing activities

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Current	Non Current (including current maturities)	Current	Non Current (including current maturities)
Opening Balance	7,003.15	7,383.56	5,260.45	7,673.11
Cash Flows (Net)	(1,167.65)	(418.77)	1,742.70	(289.55)
Foreign Exchange Difference	-	-	-	-
Closing Balance	5,835.50	6,964.79	7,003.15	7,383.56

In terms of our separate Audit Report of even date

For & on behalf of the Board

FOR R SOGANI & ASSOCIATES
Chartered Accountants
FRN: 018755C

FOR K G PETROCHEM LTD.

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

(MANISH SINGHAL)
Managing Director
DIN: 00120232

(BHARAT SONKHIYA)
Partner
M. No. 403023

(PRITY SINGHAL)
Director
DIN: 02664482

(DEEPAK SINGHVI)
CFO

Place : JAIPUR
Dated: 29.06.2021

1 COMPANY OVERVIEW

KG Petrochem Private Limited is a listed company incorporated on 29.2.1980 under Companies Act, 1956. The name of the company changed to KG Petrochem Limited as per fresh Certificate of Incorporation dated 24.8.1995 issued by Registrar of Companies, Rajasthan, Jaipur. The registered office of the Company is located at C-171, ROAD NO.9J, V.K.I.AREA, JAIPUR RJ 302013.

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

- (i) Textile Division (Consist units named Bhavik Terryfab, Anusha Techfab, & Mantika Gartex) :-Manufacturing and marketing of terry towels, made-ups, readymade garment like bathrobes, babyhood towels, pillows etc. in the domestic and international market.
- (ii) Agency Division : Consignment Stockiest of GAIL (India) Ltd. for marketing and distribution of polymers in Rajasthan and
- (iii) Technical Textile Division (Consist Unit named Ultra Polycoats) : Manufacturing of artificial leather through technical textile

SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES

2 BASIS OF PREPARATION

- 2.1 Ministry of corporate affairs has notified roadmap to implement IND AS notified under Companies (Indian Accounting Standard) Rules 2015 as amended by the Companies (Indian Accounting Standard) Rules 2016 and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (IND AS compliant Schedule III), to the extent applicable. According to the said roadmap the company is required to apply IND AS in preparation of financial statement from the financial year beginning from 1st April 2017.
- 2.2 The significant accounting policies used in preparing the financial statements are set out in Notes to the Standalone Financial Statements.
- 2.3 The preparation of the financial statements requires management to make estimates, judgements and assumptions. Actual results could vary
- 2.4 Amounts in these financial statements have, unless otherwise indicated, have been rounded off to 'rupees in lakhs' upto two decimal points.

3 STATEMENT OF COMPLIANCE

The financial statements comprising of the Balance Sheet, Statement of Profit and Loss, Statement of changes in equity, Statement of Cash Flow together with notes comprising a summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2021 and comparative information in respect of the preceding period have been prepared in all material aspects in accordance with IND AS as notified and duly approved by the Board of Directors and audit committee, along with proper explanation for material departures.

4 ACCOUNTING POLICIES

4.1 Basis of Measurement

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

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

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

4.2 Current versus non-current classification

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

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

An asset is classified as current when it is:

- (a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- (b) Held primarily for the purpose of trading,

- (c) Expected to be realised within twelve months after the reporting period, or
- (d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current

A liability is classified as current when it is:

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

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

4.3 Inventories

a Finished goods:

Finished goods are valued at lower of cost or net realisable value. Cost includes direct materials and labour and a portion of manufacturing overhead based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Finished Goods are measured at average cost.

b WIP and Stores & Spares:

Raw materials, components, stores and spares and work-in progress are valued at cost. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components, stores and spares is determined on FIFO basis. Cost of Work in Progress is measured at Weighted average Basis.

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

4.4 Statement of cash flows

Cash flows are reported using the method as prescribed in IND AS 7 'Statement of Cash flows', where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expense associated with investing or financial cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

4.5 Prior period Errors

- a Prior period errors include omissions and misstatements arising from a failure to use reliable information that was available or could have been obtained when financial statements for those periods were approved for issue.
- b Prior period errors relating to the last comparative period will be shown by restating the comparative figures of Balance sheet and Profit and loss, wherever necessary. Thus, it will be disclosed in the comparative financial statements as if the error had not even occurred. And if the error relates to earlier financial years (FY 16-17 or before), then it will be adjusted from the asset/liability and retained earnings of the last comparative period shown (FY 17-18).

4.6 Revenue recognition and other income

a Revenue on sale of products

- The Company recognise revenues on accrual basis and measured it at the fair value of the consideration received or receivable, net of discounts, volume rebates, GST.
- Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.
- Export sale has been recognised at the time of removal of goods from factory at invoice value (whether FOB or CIF) on the basis of exchange rates declared by Custom Department for that particular month.
- No significant financing component exists in the sales.
- Other operating revenue - Export incentives under various schemes are accounted in the year of export at estimated realisable value.
- GST Returns Includes Sales by Agency Division of the company as a consignment stockist to customers and stock transfer from GAIL/BCPL, while commission income is reflected in the financial statements as per the accounting policy.

Other income

a Interest

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

b Dividend

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

4.7 **Property, Plant and Equipment**

Property, plant and equipment are tangible items that:

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

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

Initial recognition: The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016

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

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

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

PPE costing up to Rs 5,000 each are fully depreciated in the year of purchase/installation.

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

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

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

Leasehold Improvements are depreciated over the remaining lease period.

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

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

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

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

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

Capital work in progress

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

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

Replacement Accounting: Subsequent expenditure related to an item of PPE is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Gains or losses arising from derecognition of the assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

4.8 Leases

On March 30, 2019, ministry of corporate affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 16 substantially carries forward the lessor accounting requirements in Ind AS 17.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is using the 'Modified Retrospective Approach' for transitioning to Ind AS 116 and took the cumulative adjustment to retained earnings on the date of initial application (April 1, 2019). The Company has elected certain available practical expedients on transition.

The Company has adopted Ind AS 116 'Leases' effective April 1, 2019 and applied the Standard to its leases, pursuant to which it has reclassified its leased asset as Right-of-Use Assets

The Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company apply a single recognition and measurement approach for all leases, The Company recognise right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term. The right-of-use assets are also subject to impairment.

4.9 Foreign Currency Transaction

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

4.10 Government Grants

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

Government grant related to revenue is deducted in reporting the related expenses. During the year the Company has received interest subsidy under TUF Scheme, Customized Package Scheme and Interest Subvention which is deducted from expenses.

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

Government Grant related to EPCG is recorded in the books at the time of import in accordance with IND AS -20 and same is amortised in the books of accounts in the ratio of depreciation charged on the respective asset as per IND AS 16. During the period (1st April,2020 to 31st December,2020) company has received a subsidy under ROSCTL Scheme for Rs.10,29,62,835.59/-

The Central Government of India has announced a new scheme on Remission of Duties or taxes on Export Product (RODTEP) which has replaced erstwhile scheme of export benefits of Remission of State and Central taxes levies (ROSCTL) w.e.f. January 01, 2021. As the rates under RODTEP have not been announced till date, the income on account of benefits under the new scheme has not been recognized for the quarter ended March 31, 2021.

4.11 Employee retirement benefits

a. Short - term Employee Benefits:-

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

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

b. Post-employment Benefits:-

(a) **Defined Contribution Plan:** Contribution to superannuation fund is recognised as an expense in the Statement of Profit & Loss as it is incurred. There are no other obligations other than the contribution payable to the respective trust. Eligible employees receive benefits from a provident fund which is a defined contribution plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

(b) The cost of providing Gratuity, a Defined Benefit plan, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by an independent actuarial valuer at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other Comprehensive Income in the period in which they arise. Other costs are accounted in statement of profit and loss. Moreover all the gratuity liabilities of the company are covered under LIC Gratuity Scheme. Other long term benefits in the form of leave encashment is provided based on the percentages notified by Government guidelines.

4.12 Borrowing Cost

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.

4.13 Earnings per share

- Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year.
- Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

4.14 Impairment of assets

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

4.15 Provisions and contingencies

a Provisions

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

b Contingencies

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

4.16 Taxation

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

4.17 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank, deposits held at call with banks, Fixed Deposits.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, having maturity less than 3 months

4.18 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

a Financial Assets

- Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on the judgment of the management for managing those financial assets and the assets' contractual cash flow characteristics.
- Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes, financial assets are assessed individually.

De-recognition of financial Asset

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

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

Impairment of financial assets (other than fair value)

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

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

Trade receivables:

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

b Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities measured at amortised cost

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

Trade and other payables

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

De-recognition of financial liability

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

Offsetting of financial instruments

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

4.19 Assets held for sale

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

4.20 Segment reporting

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

5 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

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

a Property, plant and equipment

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

b Income taxes

- Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities.
- The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

c Contingencies

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

d **Impairment of accounts receivable and advances**

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

f **Capital spares**

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

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

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

NOTE NO. 6 & 7:- Property, Plant & Equipments

(Amount in Lakhs)

S.No.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		Opening balance As on 01.04.2020	Purchases / Additions during the year	Sales / Adjustments during the year	Total Cost As At 31.03.2021	Up to 31.03.2020	for the period	Written back	Reversed	Up to 31.03.2021	As At 31.03.2021	As At 31.03.2020
1	TANGIBLE ASSETS :											
	Right of Use Assets -Land - Leasehold	4,401.90	-	-	4,401.90	85.64	54.86	-	-	140.51	4,261.39	4,316.26
2	Factory Building	3,801.16	55.98	-	3,857.14	631.20	123.61	-	-	754.81	3,102.32	3,169.96
3	Staff & Labour Quarters	54.07	-	-	54.07	6.75	0.87	-	-	7.62	46.45	47.32
4	Plant & Machinery	18,189.58	520.27	-	18,709.84	11,104.64	1,159.04	-	-	12,263.68	6,446.16	7,084.93
5	Weighing Scale	11.96	-	-	11.96	1.83	0.71	-	-	2.55	9.41	10.13
6	Misc. Fixed Assets	239.39	25.24	-	264.63	207.24	7.27	-	-	214.51	50.12	32.15
7	Lab Equipment	51.79	-	-	51.79	21.39	3.82	-	-	25.21	26.58	30.40
8	Elect. & Water Fitting	473.44	-	-	473.44	293.29	29.32	-	-	322.61	150.83	180.15
9	DG Set	50.94	-	-	50.94	21.87	2.48	-	-	24.36	26.58	29.07
10	Weighbridge	12.49	-	-	12.49	8.44	0.43	-	-	8.87	3.62	4.05
11	Furniture & Fixtures	206.80	5.65	-	212.45	94.22	14.97	-	-	109.19	103.26	112.58
12	Vehicles	196.85	0.40	1.28	195.97	85.54	21.00	-	-	106.54	89.43	111.31
13	Office Equipment	65.71	7.00	-	72.71	39.92	8.26	-	-	48.17	24.54	25.80
14	Computer	62.19	9.58	-	71.77	54.57	4.76	-	-	59.33	12.44	7.62
14	IT Equipments	12.95	-	-	12.95	12.30	-	-	-	12.30	0.65	0.65
15	Office Building	8.21	-	-	8.21	1.90	0.13	-	-	2.03	6.18	6.31
16	Canteen Appliances	1.39	-	-	1.39	1.30	-	-	-	1.30	0.09	0.09
17	ERP	-	-	-	-	-	-	-	-	-	-	-
18	A.C. Equipments	1.21	-	-	1.21	1.10	-	-	-	1.10	0.11	0.11
19	Stores & Spares	834.62	358.98	-	1,193.60	390.10	237.37	-	-	627.47	566.13	444.52
	TOTAL	28,676.65	983.09	1.28	29,658.46	13,063.24	1,668.90	-	-	14,732.14	14,926.33	15,613.41
	PREVIOUS YEAR	25,858.57	2,843.56	25.48	28,676.65	11,314.97	1,772.48	-	24.21	13,063.24	15,613.41	14,543.60

7. CAPITAL WORK IN PROGRESS

DESCRIPTION OF ASSETS					As at 31.03.2021
	As at 01.04.2020	Additions	Additions Others	Capitalized during the year	
Capital Work in Progress Bhavik	24.62	79.33	-	74.82	29.12
Capital Work in Progress ULTRA	124.66	24.77	-	-	149.44
Capital Work in Progress ANUSHA	152.78	38.49	-	-	191.27
Total	302.06	142.59	-	74.82	369.83

8 Other Non-Current Financial Assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Security Deposits	270.47	267.83
TOTAL	270.47	267.83

9 Other Non-current Assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Prepaid Expenses (Prepaid Rent)	1.17	1.69
Unamortized Transaction fees	9.02	9.99
TOTAL	10.19	11.68

10 Inventories

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw Material	1,773.38	1,178.18
Work In process	2,004.99	2,132.24
Finished Goods		
Towel/ Artificial Leather	477.19	1,451.52
Waste	3.60	3.38
Stores, Spares and Consumables	1,022.99	925.88
Dyes & Chemicals	288.74	362.98
Packing Material	38.20	37.89
TOTAL	5,609.08	6,092.07

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

11 Investments

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investments	50.00	-
TOTAL	50.00	-

(Investment in Mutual Fund from ICICI Prudential Fund is Rs.25 Lacs & SBI Mutual Fund is Rs.25 Lacs)
(Previous Year NIL)

12 Trade Receivables

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade Receivables	8,993.92	7,260.30
Receivables from Related Parties	-	-
Less: Allowance for doubtful trade receivables	-	-
Total Receivables	8,993.92	7,260.30
Current portion	8,993.92	7,260.30
Non- current portion	-	-
Breakup of Security Details		
Secured, considered good	-	-
Unsecured, considered good	8,993.92	7,260.30
Doubtful	-	-
Total	8,993.92	7,260.30
Allowance for Doubtful Trade Receivables	-	-
Total Trade Receivables	8,993.92	7,260.30

13 Cash and Cash Equivalents

Particulars	As at 31st March, 2021	As at 31st March, 2020
Bank Balances	137.15	28.54
Cash on Hand	5.29	11.23
TOTAL	142.45	39.77

14 Others Current Financial Assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
SWAP Contract Fair Valuation	28.04	-
Incentives receivable (Export)	305.18	2,008.18
Accrued Interest	13.65	14.53
TOTAL	346.87	2,022.71

15 Other Current Assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advances Given	449.44	198.53
Prepaid Expenses	30.33	34.19
Income Tax Refundable	40.95	7.27
CSR Excess Spent	51.06	-
GST & Excise & Service Tax Receivable	2,076.47	1,434.08
Excise & Service Tax (Under Protest)	0.78	0.78
Input Tax Credit	-	14.09
Employee Group Gratuity Fund	127.43	126.54
Less: Provision for Gratuity	(173.87)	(154.89)
Employee gratuity fund (Net of provision for	(46.45)	(28.34)
Interest Receivable Under TUF Scheme	496.75	375.35
TED Receivable	5.73	5.73
Interest Subsidy Under Customized Package	212.76	341.95
Unamortized Loan Processing Fees	3.69	3.67
Unamortized Processing Fees	-	1.55
TOTAL	3,321.51	2,388.85

16 Equity Share Capital

Particulars	As at 31st March, 2021	As at 31st March, 2020
Share Capital		
1 Authorised : 70,00,000 (70,00,000) Equity Shares of Rs.10/- each	700.00	700.00
2 Issued & Subscribed 63,35,200 (63,35,200) Equity shares of Rs.10 each/-	633.52	633.52
3 Fully Paid Up 52,21,000 (52,21,000) Equity Shares of Rs.10/-each fully paid	522.10	522.10
Add: Forfeited Equity Shares 11,14,200 (11,14,200) Equity Shares (* figures in bracket are of Previous Year)	59.43	59.43
TOTAL	581.53	581.53

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

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 each. Holder of equity shares is entitled to one vote per share and Dividend as and when declared by the Company.
in case of partly paid up share the shareholder shall be entitled to dividend only on the paid up share capital.
In case any shareholder makes any default in payment of any call he shall not be entitled to vote in annual general meeting.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts.

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

(in number)

Particulars	As at 31st March, 2021	As at 31st March, 2020
	No of shares	No of shares
At the beginning of the year	5,221,000	5,221,000
Add: Issued during the year	-	-
Less: Bought Back during the year	-	-
At the end of the year	5,221,000	5,221,000

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

	As at 31st March, 2021	
Name of Shareholder	No. of Shares held	% of holding
Mr. Manish Singhal	1,444,687	27.67%
Mr. Gauri Shanker Kandoi	1,428,807	27.37%
Mrs. Savitri Kandoi	420,500	8.05%
M/s. Manish Singhal-HUF	340,000	6.51%
Mrs. Prity Singhal	264,049	5.06%

	As at 31st March, 2020	
Name of Shareholder	No. of Shares held	% of holding
Mr. Manish Singhal	1,377,625	26.39%
Mr. Gauri Shanker Kandoi	1,428,807	27.37%
Mrs. Savitri Kandoi	420,500	8.05%
M/s. Manish Singhal-HUF	340,000	6.51%

17 Other Equity

Particulars	As at 31st March, 2021	As at 31st March, 2020
Reserves and Surplus		
1 Revaluation Reserve		
At the beginning of the year	4,411.61	4,482.52
Add: Additions during the year	-	-
Less: withdrawals/transfer	48.58	70.91
Balance at the year end	4,363.03	4,411.61
2 General Reserve		
At the beginning of the year	123.62	52.71
Add: Additions during the year	48.58	70.91
Less: withdrawals/transfer	-	-
Balance at the year end	172.20	123.62
3 Surplus		
At the beginning of the year	7,922.94	6,175.85
Add: Additions during the year	1,567.73	1,747.10
Balance at the year end	9,490.67	7,922.95
4 Other Comprehensive Income		
Actuarial Gain/Loss on Gratuity	13.84	-
TOTAL	14,039.75	12,458.17

18 Non Current Borrowings

Particulars	As at 31st March, 2021	As at 31st March, 2020
Term Loan		
Secured		
From Bank		
State Bank of India	4,018.54	3,998.33
Term Loan VII	793.00	1,077.00
Term Loan VIII	1,049.49	931.16
Term Loan V	53.07	106.19
Term Loan VI	1,452.98	1,883.98
Axis Bank		
Term Loan	670.00	-
HDFC	2,919.19	3,346.78
Term Loan	2,520.89	2,820.41
Term Loan	341.97	455.96
Term Loan	56.33	70.41
HDFC - Auto Loans	27.06	38.45
Total	6,964.79	7,383.56
Less : Current maturities of long term borrowings	1,414.88	1,247.09
TOTAL	5,549.91	6,136.46

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

- i Term loan from bank (Term Loan V), balance outstanding Repayable in 32 Quarterly installments starting from amounting to Rs. 53.07 lakhs (March 31, 2020 : Rs. June,2015. Last installment due in March,2023. Rate of 106.19 lakhs) is secured by pari passu charge by way of Interest 8.95% p.a. as at year end.(March 31,2020: 10.25% equitable mortgage in favour of both banks against all p.a.)*
existing and future fixed assets of the Company and further guaranteed by Mr. G. S. Kandoi, Mr. Manish Singhal and Mrs. Prity Singhal, Directors of the company in their personal capacity.

- ii Term loan from bank (Term Loan VI), balance outstanding amounting to Rs. 1452.98 lakhs (March 31, 2020 : Rs. 1883.98 lakhs) is secured by pari passu charge by way of equitable mortgage in favour of both banks against all existing and future fixed assets of the Company and further guaranteed by Mr. G. S. Kandoi, Mr. Manish Singhal and Mrs. Prity Singhal, Directors of the company in their personal capacity. Repayable in 32 Quarterly installments starting from June, 2016. Last installment due in March, 2024. Rate of Interest 8.95% p.a. as at year end. (March 31, 2020: 10.25% p.a.)*
- iii Term loan from bank (SBI Term Loan VII), balance outstanding amounting to Rs. 793 lakhs (March 31, 2020 : Rs. 1077.00 lakhs) is secured by pari passu charge by way of equitable mortgage in favour of both banks against all existing and future fixed assets of the Company and further guaranteed by Mr. G. S. Kandoi, Mr. Manish Singhal and Mrs. Prity Singhal, Directors of the company in their personal capacity. Repayable in 32 Quarterly installments starting from October, 2015. Last installment due in July, 2023. Rate of Interest 8.95% p.a. as at year end. (March 31, 2020: 10.25% p.a.)*
- iv Term loan from bank (SBI Term Loan VIII), balance outstanding Rs. 1049.49 lakhs (March 31, 2020 : Rs. 931.16 Lakhs) is secured by pari passu charge by way of equitable mortgage in favour of both banks against all existing and future fixed assets of the Company and further guaranteed by Mr. G. S. Kandoi, Mr. Manish Singhal and Mrs. Prity Singhal, Directors of the company in their personal capacity. Repayable in 29 Quarterly installments starting from December, 2020. Last installment due in December, 2027. Rate of Interest 8.95% p.a. (March 31, 2020: 9.45%)*
- v HDFC Term Loan I: balance outstanding amounting to Rs. 2520.89 Lakhs (March 31, 2020 : Rs. 2820.41 lakhs) is secured by First Pari Passu charge on entire Fixed Assets with SBI and Second Pari Passu charge on entire Current Assets of the company with SBI further personal guarantee of Mr. GS Kandoi, Mr Manish Singhal and Prity Singhal, the directors of the company. Repayable in 27 Quarterly installments starting from March, 2019. Last installment due in September, 2025. Rate of Interest: 8.00% (March 31, 2020: 8.95%)
- vi HDFC Term Loan II: Outstanding Rs. 341.97 Lakhs (March 31, 2020 Rs. 455.96 Lakhs) is secured by First Pari Passu charge on entire Fixed Assets with SBI and Second Pari Passu charge on entire Current Assets of the company with SBI further personal guarantee of Mr. G.S. Kandoi, Mr Manish Singhal and Prity Singhal, the directors of the company. Repayable in 16 Quarterly installments starting from May, 2020. Last installment due in February, 2024. Rate of Interest: 8.00% (March 31, 2020 : 8.95%)
- vii HDFC Term Loan III: Outstanding Rs. 56.33 Lakhs (March 31, 2020 - Rs. 70.41 Lakhs) is secured by First Pari Passu charge on entire Fixed Assets with SBI and Second Pari Passu charge on entire Current Assets of the company with SBI further personal guarantee of Mr. G.S. Kandoi, Mr Manish Singhal and Prity Singhal, the directors of the company. Repayment has started from Mar., 2020. Total Term Loan Tenor is 5 Years. Rate of Interest :- 8.00% (March 31, 2020 - 8.95%)
- viii Axis Bank WCTL under ECLGS : Outstanding Rs. 670.00 Lakhs (March 31, 2020 - Rs. Nil Lakhs) is secured by First Pari Passu charge on entire Fixed Assets with SBI and Second Pari Passu charge on entire Current Assets of the company with SBI further personal guarantee of Mr. G.S. Kandoi, Mr Manish Singhal and Prity Singhal, the directors of the company. Repayment will get started from Mar, 2022. Total Term Loan Tenor is 5 Years. Rate of Interest :- Repo Rate + 3 % i.e. 7%

Installments falling due within a year in respect of all the above Loans aggregating Rs. 1402.41 lakhs (March 31, 2020 : Rs. 1247.09 lakhs) have been grouped under "Current maturities of long term borrowings" (Refer Note 18)

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

19 Deferred tax liabilities (Net)

Particulars	As at 31st March, 2021	As at 31st March, 2020
1 Deferred tax liabilities (Net)	191.73	243.02
TOTAL	191.73	243.02

20 Other Non Current Liabilities

Particulars	As at 31st March, 2021	As at 31st March, 2020
1 Government Grants	825.63	945.99
TOTAL	825.63	945.99

21 Current Borrowings

Particulars	As at 31st March, 2021	As at 31st March, 2020
Loan payable on demand from Banks :		
Secured		
1 State Bank of India		
a. Cash Credit Account	73.81	295.33
b. LC Discounting	-	38.32
2 HDFC		
a. Cash Credit Account	517.14	75.95
b. Packing Credit Limit	1,524.32	3,529.26
3 Axis Bank		
a. Cash Credit Account	-	20.50
b. Packing Credit Limit	3,720.23	3,043.77
TOTAL	5,835.50	7,003.15

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

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

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

HDFC & Axis Banks - The limits are secured by First Pari Pasu charge on entire Current Assets with SBI and Second Parri Passu charge on entire Fixed Assets of the company with SBI further personal guarantee of Mr. G.S. Kandoi, Mr Manish Singhal and Prity Singhal, the directors of the company.

22 Trade Payables

Particulars	As at 31st March, 2021	As at 31st March, 2020
For Goods		
Micro, Small & Medium Enterprises*	202.79	198.51
Others	2,629.90	2,579.00
TOTAL	2,832.69	2,777.51

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

23 Other Current Financial Liabilities

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current maturities of long term borrowings (Refer Note 18)	1,414.88	1,247.09
Unsecured Loans from Directors	1,526.72	1,259.56
Unsecured Loans from Corporate	70.70	49.63
Liabilities for expenses	739.16	557.38
Security Deposit	15.96	9.99
Forward Contract (Fair valuation)	8.34	235.87
Unamortized Finance Cost	-	1.55
TOTAL	3,775.76	3,361.08

24 Other Current Liabilities

Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory Liabilities	54.07	44.69
Advance from Customers	100.80	87.87
TOTAL	154.88	132.56

25 Provisions

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Leave Encashment	22.85	55.76
Provision for Bonus	162.41	207.46
TOTAL	185.25	263.23

26 Current Tax Liabilities (Net)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Income Tax	662.34	640.00
Less: Advance Tax	(594.32)	(544.02)
Less: MAT Credit Entitlement	-	-
TOTAL	68.02	95.98

27 Revenue From Operations

Particulars	Period ended 31st March, 2021	Period ended 31st March, 2020
(a) Sale of products		
Terry Towels (Net)	24,030.44	26,082.09
Coated Fabric (Net)	3,997.77	3,768.13
(b) Sale of Services		
Commission Income	107.05	88.40
		-
(c) Other operating revenue		
Duty Drawback	645.79	639.68
ROSL / ROSCTL Scheme	1,029.63	1,919.78
Duty Credit Scripts (MEIS)	-	449.65
Total	29,810.67	32,947.73

28 Other Income

Particulars	Period ended 31st March, 2021	Period ended 31st March, 2020
(a) Interest		
Interest from Securities	22.40	11.31
Interest from Bank	0.77	1.28
Other Interest	50.75	171.79
(b) Other non operating revenue		
Foreign Exchange Gain	310.07	464.28
Rental Income	1.02	24.15
Other income	11.77	3.69
Profit on INR/Euro Swap	250.53	111.53
Apportioned income from Government Grants (including)	120.36	124.76
Sundry Balances written off (Net)	19.77	6.24
Profit/(Loss) on Fair Valuation of SWAP	28.04	-
Total	815.47	919.03

29 Cost of Material Consumed

Particulars	Period ended 31st March, 2021	Period ended 31st March, 2020
Raw Material Consumed		
Opening Stock	1,178.18	844.73
Add: Purchases	12,253.97	12,899.18
Purchase of Dyed Towelling Fabric	272.76	660.27
Freight	-	0.22
	13,704.91	14,404.39
Less: Closing Stock	1,773.38	1,178.18
	11,931.53	13,226.21
Dyes & Chemicals Consumed		
Opening Stock	362.98	195.90
Add: Purchases	1,824.72	2,159.13
Freight	2.38	4.56
	2,190.08	2,359.59
Less: Closing Stock	288.74	362.98
	1,901.34	1,996.61
	13,832.87	15,222.82

30 **Changes in inventories of Finished Goods & WIP**

Particulars	Period ended 31st March, 2021	Period ended 31st March, 2020
<u>Opening Inventories</u>		
Finished Goods (Towel/ Artificial Leather)	1,451.52	666.55
Work in progress	2,132.24	3,427.44
Saleable Waste	3.38	5.51
	3,587.14	4,099.50
<u>Closing Inventories</u>		
Finished Goods (Towel/ Artificial Leather)	477.19	1,451.52
Work in progress	2,004.99	2,132.24
Saleable Waste	3.60	3.38
	2,485.78	3,587.14
INCREASE/(DECREASE)	1,101.36	512.36

31 **Manufacturing expenses**

Particulars	Period ended 31st March, 2021	Period ended 31st March, 2020
Consumable Stores	1,179.31	1,340.12
Job Charges	2,097.43	1,941.87
Packing Material	627.80	687.15
Power & Fuel	2,145.73	2,896.14
Repairs & Maintenance- Building	48.76	48.23
Repairs & Maintenance- Plant & Machinery	74.43	54.52
Stores & Spares	379.02	411.76
Other Manufacturing Expenses	281.93	445.37
Total	6,834.40	7,825.16

32 **Employee benefits expense**

Particulars	Period ended 31st March, 2021	Period ended 31st March, 2020
Salaries & Wages	1,941.33	2,273.27
Contribution to Provident Fund	85.38	86.54
Contribution to ESIC	38.15	51.34
Contribution to Gratuity	49.04	72.64
Staff welfare Expenses	230.76	348.29
Total	2,344.66	2,832.08

33 **Financial expense**

Particulars	Period ended 31st March, 2021	Period ended 31st March, 2020
Interest Expenses	705.60	799.77
Other Borrowing Costs (Bank Charges)	49.71	162.72
Total	755.31	962.49

34 Other expenses

Particulars	Period ended 31st March, 2021	Period ended 31st March, 2020
Insurance	51.50	44.85
Rent	32.75	35.15
Clearing & Forwarding Charges	750.74	769.48
Commission on sale	372.98	240.95
CSR Expenses	34.05	0.15
Payment to Auditors		
- As Auditor	3.00	1.90
- As Others	1.65	3.30
Miscellaneous Expenses	694.33	587.12
Bad Debts	-	453.91
Total	1,941.00	2,136.79

35 Exceptional Items

Particulars	Period ended 31st March, 2021	Period ended 31st March, 2020
MEIS Write off	-	548.33
Total	-	548.33

36 Income Tax Expenses

Tax expense recognized in the Statement of Profit and Loss

Particulars	Period ended 31st March, 2021	Period ended 31st March, 2020
Current Tax		
Current Tax on taxable income for the year (Net of MAT)	630.00	640.00
Total Current Tax expense	630.00	640.00
Deferred Tax		
Deferred Tax charge/(credit)	(51.28)	(321.60)
Total Deferred Income Tax expense/(benefit)	(51.28)	(321.60)
Tax in respect of earlier years	1.19	(11.23)
Total income tax expense (including previous year)	579.91	307.17

37 FINANCIAL RISK MANAGEMENT

37.1 Financial risk management objectives and policies

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

37.2 Financial risk factors

- The Company's principal financial liabilities comprise of trade payables, borrowings and other liabilities. The main purpose of these financial liabilities is to manage finances for the Company's operations and also for purchase of capital assets and for safeguarding its interests under contracts.
- The Company has trade and other receivables and cash and cash equivalents that arise directly from its operations as a part of its financial assets.

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

a. Market risk

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

(i) Interest rate risks:

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

Exposure to Interest rate risk

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total Borrowings	12,800.29	14,386.71
Borrowings Having variable rate of interest	670.00	3,346.78
% of Borrowings out of above bearing variable rate of interest	5.23%	23.26%

(ii) Foreign currency risk:

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

Exposure to foreign currency

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total Export Trade Receivable	6,207.03	4,718.16
taken)	6,207.03	4,718.16
Unhedged Export Trade Receivable	-	-

b. Credit risk

- Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.
- To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets.
- The Company makes major of its export sales, against a security in the nature of Letter of Credit, and hence the credit risk is minimal with regard to export debtors. However the company makes local sales and it is subject to credit risk the company manages this risk by recognising 100 % expected credit loss on debtors outstanding for more than 36 months.

The ageing of trade receivables as on 31st March 2021 is as below:

Particulars	Due upto 36 Months	Due for more than 36 Months
Good	8993.92	-
Doubtful	-	-
Others	-	-
Gross	-	-
Expected Credit Losses	-	-

The ageing of trade receivables as on 31st March 2020 is as below:

Particulars	Due upto 36 Months	Due for more than 36 Months
Good	7260.30	-
Doubtful	-	-
Others	-	-
Gross	7260.30	-
Expected Credit Losses	-	-

c. **Liquidity risk**

- Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.
- The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash requirements. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs.
- As on 31st March,2021 the company had a cash and cash equivalent of Rs.142.45 Lakhs & as on 31st March,2020 Rs.39.77 Lakhs.

38 Fair Value Measurement

Financial Instrument by category and hierarchy

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

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

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

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

In case of security deposits, Company has used the fixed deposit rate of the year of making advance.

They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current

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

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

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

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

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

Particulars	As at 31 st March 2021		As at 31 st March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at amortised cost				
Trade Receivables	8,993.92	8,993.92	7,260.30	7,260.30
Cash & Cash Equivalen	142.45	142.45	39.77	39.77
Other Financial Assets	589.30	589.30	2,290.54	2,290.54

Particulars	As at 31st March 2021		As at 31st March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at fair value through profit and loss				
SWAP Contract Fair Val	28.04	28.04	-	-
Forward Contracts	-	-	-	-

Particulars	As at 31st March 2021		As at 31st March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities designated at amortised cost				
Borrowings (Non-Current and Current)	11,385.41	11,385.41	13,139.61	13,139.61
Trade Payables	2,832.69	2,832.69	2,777.51	2,777.51
Other Financial Liabiliti	3,767.42	3,767.42	3,125.21	3,125.21

Particulars	As at 31st March 2021		As at 31st March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities designated at fair value through profit and loss				
SWAP Contract Fair Valuation	-	-	-	-
Forward Contracts	8.34	8.34	235.87	235.87

39 FAIR VALUE HEIRARCHY

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

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

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

As at 31st March 2021			
Particulars	Level 1	Level 2	Level 3
Financial Assets			
Trade Receivables	-	-	8,993.92
Cash & Cash Equivalents	-	-	142.45
Other Financial Assets	-	-	589.30
SWAP Contract Fair Valuation			28.04
Financial Liabilities			
Borrowings (Non-Current and Current)	-	-	11,385.41
Trade Payables	-	-	2,832.69
Other Financial Liabilities	-	-	3,767.42
SWAP Contract Fair Valuation	-	-	-
Forward Contracts	8.34	-	-

As at 31st March 2020			
Particulars	Level 1	Level 2	Level 3
Financial Assets			
Trade Receivables	-	-	7,260.30
Cash & Cash Equivalents	-	-	39.77
Other Financial Assets	-	-	2,290.54
Forward Contracts	-	-	-
Financial Liabilities			
Borrowings (Non-Current and Current)	-	-	13,139.61
Trade Payables	-	-	2,777.51
Other Financial Liabilities	235.87	-	3,125.21

During the year ended March 31, 2021 and March 31, 2020, there were no transfer into and out of Level 1 fair value measurements.

Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy as at March 31, 2021 and March 31, 2020, respectively:

Particulars	Fair Value Heirarch	Valuation Technique	Inputs Used
Financial Assets			
Forward Contracts	Level 1	Quoted prices	
SWAP Contract Fair Valuation	Level 3	Interest Rate Parity Theory considering management assumptions	

Objective

The primary objective of the Company's capital management is to maximize the shareholder value. i.e. to provide maximum returns to the shareholders. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns to the shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2021 and March 31, 2020.

Policy

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

Process

The Company manage its capital by maintaining sound/optimal capital structure financial ratios, such as net debt-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. Debt-to-equity ratio as of March 31, 2021, March 31, 2020 is as follows:

Particulars	As on 31st March 2021	As on 31st March 2020
Total debt	11,385.41	13,139.61
Total equity	14,621.28	13,039.70
Ratio	0.78	1.01

41 PROVISIONS

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

(Amount in lakhs)

Particulars	Provision for Bonus	Provision for Gratuity	Provision for Leave encashment	Provision for Taxation
As at 1st April 2019	198.51	85.49	23.86	360.00
Excess provision reversed	-	-	-	-
Addition during the year	207.46	72.64	34.95	0.01
Actual Benefits Paid	(198.51)	(3.24)	(3.05)	(360.00)
As at 31st March 2020	207.46	154.89	55.76	0.01
Excess provision reversed	-	-	(29.74)	-
Addition during the year	158.91	49.04	-	0.01
Actual Benefits Paid/Utilized	(203.97)	(14.63)	(3.17)	(0.01)
As at 31st March 2021	162.41	189.30	22.84	0.01

Particulars	Provision for Bonus	Provision for Gratuity	Provision for Leave encashment	Provision for Taxation
As at 31st March 2020				
Current	207.46	-	55.76	0.01
Non Current	-	154.89	-	-
	207.46	154.89	55.76	0.01
As at 31st March 2021				
Current	162.41	-	22.84	0.01
Non Current	-	189.30	-	-
	162.41	189.30	22.84	0.01

42 INCOME TAX EXPENSE**(Amount in lakhs)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Current Tax	630.00	640.00
Deferred Tax	(51.28)	(321.60)
Tax in respect of earlier years	1.19	(11.23)
Total tax expense (For Current year)	579.91	307.17

***The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for taxation and remeasured its deferred tax liabilities basis the rate prescribed in the said Section.**

Deferred Tax Assets (Liabilities)

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

(Amount in lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<u>Deferred Tax Asset</u>		
Provision for Leave Encashment	5.75	14.28
Provision for Gratuity	43.76	-
Government Grant	207.80	242.42
Unamortised Finance Cost	-	0.40
Unamortized transaction cost	3.20	3.90
Provision for Bonus	40.87	53.16
	301.38	314.16
<u>Deferred Tax Liability</u>		
Property, Plant and Equipment	(493.12)	(557.18)
	(493.12)	(557.18)
Net Deferred Tax Asset(Liability)	(191.73)	(243.02)

43 Related Party Transactions

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

(i) Related party name and relationship

(a) Executive Directors:

Particulars	Designation
Shri G S Kandoi	Chairman Cum Wholetime Director
Shri Manish Singhal	Managing Director
Smt. Prity Singhal	Executive Director
Kuldeep Sharma	Executive Director from 13.02.2021

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

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

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

Particulars	Designation
Shri Kamlesh Sharma	Independent Director
Shri Jai Prakash Khandelwal	Independent Director
Shri Bridhi Chand Sharma	Independent Director
Anand Mishra	Independent Director from 13.02.2021
Ms Swati Singh	Company Secretary & Compliance Officer till 25.05.2020
Ms Akshita Pareek	Company Secretary & Compliance Officer from 07.07.20
Antima Madhani	Company Secretary & Compliance Officer from 23.03.21
Shiv Ratan Sharma	Chief Financial Officer till 26.08.2020
Pramod Sharma	Chief Financial Officer from 26.08.20 to 29.10.2020
Deepak Singhvi	Chief Financial Officer from 12.11.2020
M/s B I Enterprises Pvt. Ltd.	Related Concern
M/s Chrome International Co. Ltd.	Related Concern

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

(Amount In lakhs)

Nature of Transactions	Related Parties		
	Referred to in 1(a) above	Referred to in 1(b) above	Referred to in 1(c) above
Sales & Purchase			
Goods & Material & Services	-	-	553.86
Short term Employee Benefit Expenses	240.18	11.25	10.89
Interest Paid	99.65	-	4.15
Rent Expense	-	5.10	22.28
Other Reimbursements	-	-	-

Nature of Transactions	Related Parties		
	As at 31st March, 2021	As at 31st March, 2020	
Outstandings			
Payable (Trade Paybles and other Liabilities)			
Key Management Personnel	1,456.02	1,209.93	
Relatives of Key Managerial Personnel	70.70	49.63	
End of the year	1,526.72	1,259.56	
Executive Directors Compensation			
(a) Short term Employee Benefits	240.18	246.00	
Total Compensation	240.18	246.00	

44 CONTINGENT LIABILITIES**(Amount In lakhs)**

S.No.	Particulars	As at March 31,2021	As at March 31,2020
(I) Contingent Liabilities			
(i)	Bank Guarantees	468.00	450.00
(ii)	Civil suit	13.76	13.76
TOTAL		481.76	463.76

Note Civil Suit pending before Bombay High Court for the period related to
FY 2009-10

45 CAPITAL COMMITMENTS**(Amount In lakhs)**

S.No.	Particulars	As at March 31,2021	As at March 31,2020
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	48.81	30.44
TOTAL		48.81	30.44

46 SHORT - TERM EMPLOYEE BENEFITS:-

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits

and they are recognised in the period in which the employee renders the related services

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

POST RETIREMENT BENEFIT PLANS**Defined Contribution Plan:**

Contribution to superannuation fund is recognised as an expense in the Statement of Profit & Loss as it is incurred. There are no other obligations other than the contribution payable to the respective trust. Eligible employees receive benefits from a provident fund which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

Defined Benefits Plan**(i) Gratuity**

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

Change in Present value of defined benefit obligation**(Amount In lakhs)**

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
PV of Obligation at the beginning of the period	154.88	85.48
Interest cost	10.84	5.98
Current Service Cost	38.20	35.96
Benefits Paid	(14.63)	(4.62)
Actuarial (Gain)/Loss	(15.42)	32.08
PV of Obligation at the End of the period	173.87	154.88

Change in Fair Value of Plan Asset**(Amount In lakhs)**

Particulars	Amount (Rs.)	Amount (Rs.)
Fair Value of Plan Assets at the beginning of the period	126.55	112.50
Adjustment last year LIC fund	2.35	-
Expected return on plan asset	9.02	7.87
Contributions	1.36	15.68
Benefits Paid	(10.27)	(4.62)
Actuarial gain/(Loss)	(1.58)	(4.88)
Fair Value of Plan Assets at the end of the period	127.43	126.55

Actuarial Assumptions

Particulars	Particulars	Particulars
Mortality Rate	IALM 2012-14	IALM 2012-14
Withdrawal Rate	5% p.a.	5% p.a.
Discount Rate	7% p.a.	7% p.a.
Salary Escalation	5%	5%

47 Disclosures required under Ind AS 108

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

Operating Segments:

- (i) Textile Division :-Manufactuiring and marketing of terry towels, made-ups, readymade garment like bathrobes, babyhood towels, pillows etc. in the domestic and international market.
- (ii) Agency Division : Consigment Stockiest of GAIL (India) Ltd. for marketing and distribution of polymers in Rajasthan and
- (iii) Technichal Textile Division : Manufacturing of artificial leather through technical textile

Identification of Segments:

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

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as "others"

The company is making sale of more than 10% of Revenue to three different customers.

Segment assets and Liabilities:

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

(Amount In lakhs)

Particulars	Textile		Technical Textile		Others		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1 Segment Revenue								
Sales and other revenue	24,030.44	26,134.96	3,997.77	3,768.13	107.05	88.40	28,135.25	29,991.49
Other Operating Income	1,669.39	2,999.40	6.03	9.71	-	-	1,675.42	3,009.11
Inter Unit Transactions	-	(52.87)					-	(52.87)
Interest Income	22.25	11.16	0.77	1.28	50.75	171.79	73.77	184.23
Other Income	519.19	569.33	213.64	165.47	8.88	-	741.70	734.80
Total Revenue	26,241.26	29,661.98	4,218.21	3,944.60	166.67	260.19	30,626.14	33,866.77
2 Segment Results								
Profit before interest, depreciation & tax	3,796.14	4,867.33	636.39	145.77	139.32	(223.87)	4,571.85	4,789.23
Interest Expenses	522.32	705.25	216.86	224.43	16.13	32.82	755.31	962.49
Depreciation & Amortization	1,286.67	1,465.72	382.23	306.75	-	-	1,668.90	1,772.48
Provision for tax	579.91	307.17	-	-	-	-	579.91	307.17
Profit/(Loss) after tax	1,407.23	2,389.19	37.30	(385.41)	123.19	(256.68)	1,567.73	1,747.09
3 Other Information								
a Segment Assets	21,806.19	22,742.40	11,788.64	10,818.56	445.82	437.71	34,040.65	33,998.68
Total Assets	21,806.19	22,742.40	11,788.64	10,818.56	445.82	437.71	34,040.65	33,998.68
b Segment Liabilities	13,327.52	15,404.85	5,635.91	5,181.06	455.95	373.07	19,419.38	20,958.98
Total Liabilities	13,327.52	15,404.85	5,635.91	5,181.06	455.95	373.07	19,419.38	20,958.98

Note:- Details of Secondary Segments (Geographical):- Company has busines from India and no other place to generate revenue or expenses. Therefore total revenue (100%) is generated

48 ASSETS PLEDGED AS SECURITY

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

(Amount In lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current Assets		
Financial Assets		
Floating Charge	-	-
Cash & Cash Equivalents	142.45	39.77
Receivables	8,993.92	7,260.30
Fixed Deposit lien by bank ag	-	-
Short Term Loans & advances	449.44	198.53
Non Financial Assets		
Floating Charge	-	-
Inventories	5,609.08	6,092.07
Other Current Assets	2,872.07	2,190.32
Total Current assets Pledged as	18,066.96	15,780.99
Non Current Assets		
First Charge		
Land	4,261.39	4,316.26
Building	3,102.32	3,169.96
Furniture, fittings and equipm	103.26	112.58
Plant and Machinery includin	7,012.29	7,529.45
Fixed Deposit lien by bank ag	-	-
Others	447.03	485.17
Total non-current assets Pled	14,926.30	15,613.40
Total assets Pledged as securi	32,993.26	31,394.39

49 EARNINGS PER SHARE

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

(in number)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Issued number equity shares	5,221,000	5,221,000
Potential Equity Shares	-	-
Weighted average shares outstanding - Basic and Diluted	5,221,000	5,221,000

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

(Amount In lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Profit and loss after tax	1,567.73	1,747.09
Profit and loss after tax for EPS	1,567.73	1,747.09
Basic Earnings per share (in Rs.)	30.03	33.46
Diluted Earnings per share (in Rs.)	30.03	33.46

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

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

50 INVESTMENT PROPERTY

The company has given on rent a portion of its factory building situated at SP-43, Keshwana, Kotputli, Jaipur-303108, however the portion given on rent is insignificant and major portion of the factory is used in manufacturing activities hence the company has not recognised separately such portion as an investment property by taking in the view given in para 10 of IND AS 40 "Investment Property"

51 DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:

(Amount In lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Amount required to be spent as per Section 135 of the Act	34.05	27.42
Amount of Expenditure Incurred during the year	85.11	0.15
Excess CSR Spent to be carried forward	51.06	0.00
Nature of CSR Activity	Contribution made to IIT for Research & Development in Science and Technology	

52 Financial and Derivatives Instruments

The Company uses derivative Instruments to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments on forecasted transactions are approved by Board of Directors. The Company does not use derivative instruments for speculation purpose.

Outstanding derivative Instruments entered into by the Company as on 31.3.2021 is as under:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Forward Contract		
No. of contracts	30	29
US Dollar	7,644,212	7,514,803
INR (in lakhs) equivalent	5,681.71	5,520.62

Particulars	As at 31st March, 2021	As at 31st March, 2020
Futures		
No. of contracts	1	-
US Dollar	700,000	-
INR (in lakhs) equivalent	514.82	-

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

Particular	As at 31st March, 2021	As at 31st March, 2020
Raw Material, Spare parts & consumables	642.62	1,188.00
Capital Goods	361.25	880.13

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

Particular	As at 31st March, 2021		As at 31st March, 2020	
	Amount	%	Amount	%
Raw material				
Imported	493.04	3.56	564.48	3.71
Indigenous	13,339.83	96.44	14,658.35	96.29
Spare parts				
Imported	256.06	16.43	331.44	18.92
Indigenous	1,302.27	83.57	1,420.44	81.08

Expenses in foreign currency**(Amount in lakhs)**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Travelling	-	8.17
Commission	142.74	130.40
Marketing/ Exhibition Exp.	-	0.47
Misc. Exp.	1.56	-
Testing Fee	5.50	3.52

Earning in Foreign Currency**(Amount in lakhs)**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Export of Goods on FOB Basis	24,010.46	24,714.71

Estimation uncertainty relating to the global health pandemic on COVID-19

“The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. It has also assessed the probability of occurrence of forecasted transactions under the hedging relationships and continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these standalone Ind AS financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business”.

In terms of our separate Audit Report of even date

For & on behalf of the Board

FOR R SOGANI & ASSOCIATES

Chartered Accountants
FRN: 018755C

FOR K G PETROCHEM LTD.

Sd/-
(BHARAT SONKHIYA)
Partner
M. No. 403023

Sd/-
(G. S. KANDOI)
Chairman Cum Wholetime Director
DIN: 00120330

Sd/-
(MANISH SINGHAL)
Managing Director
DIN: 00120232

Sd/-
(PRITY SINGHAL)
Director
DIN: 02664482

Sd/-
(DEEPAK SINGHVI)
CFO

Place : JAIPUR
Dated: 29.06.2021