



# KG Petrochem Limited

Corporate Office : F-394 (G), Road No. 9F2, V.K.I. Area, JAIPUR - 302 013 INDIA  
Phone : (O) 0141 - 2331231, 4106800 • Fax : 91-141-2332845  
E-mail : manish@bhavik.biz • Website : www.kgpetro.in  
CIN : L24117RJ1980PLC001999

July 30, 2022

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

BSE Scrip Code: 531609

**Subject:** 42<sup>nd</sup> Annual Report of the Company for the Financial Year 2021-22

Respected Sir/Ma'am,

In compliance with the provisions of Regulation 34(1)(a) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the year 2021-22.

The same is also made available on the website of the Company at [www.kgpetro.in](http://www.kgpetro.in).

We request you to take above on your record.

For KG Petrochem Ltd

Gauri Shanker Kandoi  
Compliance Officer  
DIN: 00120330

*encl: copy of Annual Report 2021-2022*



**KANDOI GROUP**

**ANNUAL REPORT**

**2021-2022**

**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)**  
(till 13/11/2021)  
Additional Executive Director

**Mr. Kamlesh Sharma (DIN:00037588)**  
Independent Director

**Mr. Jai Prakash Khandelwal (DIN: 08361188)**  
Independent Director (till 03/01/2022)

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

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

**Mr. Ajay Kumar Sharma (DIN: 09404189)**  
(From 01/06/2022)  
Additional Executive Director

**Mr. Vikas Dhamani (DIN: 00385807)**  
(From 01/06/2022)  
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. Kamlesh Sharma (Chairperson)  
Mr. Bridhi Chand Sharma  
Mr. Anand Mishra

#### **Nomination & Remuneration Committee**

Mr. Kamlesh Sharma (Chairperson)  
Mr. Bridhi Chand Sharma  
Mr. Anand Mishra

#### **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. Deepak Singhvi

#### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms.Antima Madhani (23/03/2021-26/06/2021)  
Mr. Kartik Sharma (20/08/2021-23/10/2021)  
Mr. Aditya Trivedi (29/10/2021-01/05/2022)

#### **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

## **CONTENT**

1. NOTICE OF 42<sup>ND</sup> AGM
2. BOARD'S REPORT
3. CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC.
4. SECRETARIAL AUDIT REPORT
5. ANNUAL REPORT ON CSR ACTIVITIES
6. CSR POLICY
7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT
8. REPORT ON CORPORATE GOVERNANCE
9. INDEPENDENT AUDITOR'S REPORT
10. BALANCE SHEET
11. STATEMENT OF PROFIT & LOSS
12. CASH FLOW STATEMENT
13. SIGNIFICANT ACCOUNTING POLICIES
14. NOTES ON FINANCIAL ACCOUNTS

## **NOTICE**

Notice is hereby given that the Forty-Second Annual General Meeting (AGM) of the Members of **KG Petrochem Ltd** will be held on **Tuesday, August 23, 2022** at 12.30 P.M. (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following business:

### **ORDINARY BUSINESS:**

**1. To consider and adopt:**

(a) The Audited Financial Statements of the company for the financial year ended on March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon.

**2. To appoint a Director in place of Mr. Gauri Shanker Kandoi (DIN: 00120330), who retires by rotation at this AGM and being eligible, offers himself for re-appointment.**

### **SPECIAL BUSINESS**

**3. To appoint Mr. Vikas Damani (DIN: 00385807) as an Independent Non-Executive Director:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and 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)*, and other applicable provisions of the Act, read with rules made there under and the Article of Association and pursuant to the recommendation of the Nomination and Remuneration Committee and approved by the Board of Directors Mr. Vikas Damani (DIN: 00385807) who was appointed by the Board of Directors as an Additional Director (Independent) of the Company w.e.f. June 01, 2022 and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act, rules made there under and Regulation 16(1)(b) (as amended) of the Listing Regulations and who is eligible, for appointment, and in respect of whom the Company has received a notice in writing under Section 160 of the Act have been received in the prescribed manner, 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 June 01, 2022 to May 31, 2027.

**4. To appoint Mr. Ajay Kumar Sharma (DIN: 09404189) as an Executive 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** 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. Ajay Kumar Sharma (DIN: 09404189) who was appointed by the Board of Directors as an Additional Director (Executive) of the Company

with effect from June 01, 2022 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. Ajay Kumar Sharma candidature for the office of the Director, be and is hereby appointed as an Executive Director of the Company who will be liable to retire by rotation."

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

Sd/-  
**Gauri Shanker Kandoi**  
**Chairman cum Whole-Time Director**  
**DIN: 00120330**  
**Jaipur, July 27, 2022**

**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. Pursuant to the General Circulars 2/2022 and 19/2021, other circulars issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold Annual General Meeting (AGM) through VC/OAVM, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM and the deemed venue for the 42<sup>nd</sup> AGM shall be the Registered Office of the Company.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 2 to 4 of the Notice, is annexed hereto. Further, the relevant details with respect to Item No. 2 to 4 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment at this AGM are also annexed.
3. Pursuant to the provisions of the Act, a Member 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 Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
4. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF's, NRI's, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to [cssandeep@armsandassociates.com](mailto:cssandeep@armsandassociates.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
5. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,:

A. **For shares held in electronic form:** to their Depository Participants (DPs)

B. **For shares held in physical form:** to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company has sent letters for furnishing the required details. Members may also refer to Company's website [www.kgpetro.in](http://www.kgpetro.in).

C. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue

of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at [www.kgpetro.in](http://www.kgpetro.in) and on the website of the Company's Registrar and Transfer Agents, Niche Technologies Private Limited, Kolkata ("NTPL") at <https://nichetechpl.com/>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

6. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or NTPL, for assistance in this regard.
7. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website [www.kgpetro.in](http://www.kgpetro.in). Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to NTPL in case the shares are held in physical form.
8. In case of joint holders, the Member 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 during the AGM.
9. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company at an early date as to enable the management to keep the information ready at the AGM.
10. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).
11. Notice of the AGM along with the Annual Report 2021-22 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories/ RTA, unless any Member has requested for a physical copy of the same. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.kgpetro.in](http://www.kgpetro.in), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com).



12. 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).
13. Members attending the meeting through VC/OAVM shall be counted for the purpose of determining the quorum under Section 103 of the Act.
14. Instructions for e-voting and joining the AGM through VC/OAVM are as follows:

**A. VOTING THROUGH ELECTRONIC MEANS**

- (I) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to "e-voting Facility Provided by Listed Entities", the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- (II) The remote e-voting period commences on Saturday, August 20, 2022 (9:00 A.M. IST) and ends on Monday, August 22, 2022 (5:00 P.M. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, August 16, 2022 i.e. cut-off date, may cast their vote electronically.
- (III) The e-voting module shall be disabled by CDSL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-voting facility, either during the period commencing Saturday, August 20, 2022 to Monday, August 22, 2022 or e-voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.
- (IV) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution again.
- (V) 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.
- (VI) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- (VII) The details of the process and manner for remote e-voting are explained herein below:

**A. Login method for remote e-voting and joining the virtual meeting and joining the virtual meeting for individual shareholders holding securities in dematerialized mode:**

Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-voting facility provided by Listed Companies”, e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/ DPs to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (“ESP”) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

Login method for individual shareholders holding securities in dematerialized mode is given below:

Type of shareholders	Login method
Individual shareholders holding securities in dematerialized mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>Existing Users who have opted for Easi/Easiest facility, they can login through their 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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest user will be able to see the e-voting menu. The menu will have links of e-voting service provider. Click to cast your vote.</li> <li>If the user is not registered for Easi/ Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-voting page by providing demat account number and PAN number from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered mobile &amp; 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.</li> </ol>
Individual Shareholders holding securities in dematerialized mode with <b>NSDL</b>	<p><b>I. NSDL IDeAS Facility</b></p> <p><b>If you are already registered for NSDL IDeAS facility,</b></p> <ol style="list-style-type: none"> <li>Please visit the e-services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile.</li> <li>Once the home page of e-services is launched, click on the ‘Beneficial Owner’ icon under ‘Login’ which is available under ‘IDeAS’ section.</li> <li>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.</li> <li>Click on ‘Access to e-voting’ under e-voting services and you will be able to see e-voting page.</li> <li>Click on options available against company name or e-voting service provider – NSDL and you will be redirected to the NSDL e-voting website for casting your vote during the remote e-voting period or voting during the meeting.</li> </ol> <p><b>If the user is not registered for IDeAS e-Services,</b></p>

	<ol style="list-style-type: none"> <li>1. The option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>2. Select 'Register Online for IDeAS' or click on <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Upon successful registration, please follow steps given in points 1-5 above.</li> </ol> <p><b>II. E-voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a personal computer or on a mobile.</li> <li>2. Once the home page of e-voting system is launched, click on the 'Login' icon available under 'Shareholder/Member' section.</li> <li>3. A new screen will open. You will have to enter your user ID (i.e. your 16-digit demat account number hold with NSDL), password/OTP and a verification code as shown on the screen.</li> <li>4. After successful authentication, you will be redirected to NSDL depository site wherein you can see e-voting page. Click on options available against company name or e-voting service provider – NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the remote e-voting period or voting during the meeting.</li> <li>5. Shareholders / members can also download NSDL Mobile App 'NSDL Speede' facility for seamless voting experience.</li> </ol>
Individual shareholders (holding securities in dematerialized mode) login through their <b>DPs</b>	<p>(I) You can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.</p> <p>(II) Once logged in, you will be able to see e-Voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature.</p> <p>(III) 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 &amp; voting during the meeting.</p>

**Important Note:** Members who are unable to retrieve User ID/Password are advised to use Forgot User details/Password option available at respective websites.

Helpdesk for individual shareholders holding securities in dematerialized 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 <b>CDSL</b>	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542/43
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**B. Login method for e-voting and joining virtual meeting for shareholders (other than individual shareholders holding in dematerialized mode and shareholders holding securities in physical mode.**

1. Visit the e-voting website of CDSL [www.evotingindia.com](http://www.evotingindia.com) either on a personal computer or on a mobile phone.
2. Once the homepage of the e-voting system is launched, click on “Shareholders” module.
3. A new screen will open. You will have to enter your User ID, Password enter the Image Verification shown on the screen and Click on Login.
4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For members who hold shares in demat account with CDSL	16-digit Beneficiary ID
b) For members who hold shares in demat account with NSDL	8-character DP ID followed by 8-digit Client ID
c) For members holding shares in physical form	Folio Number registered with the Company.

5. Password details for shareholders other than individual shareholders are given below:

- i. If you are already registered for e-voting, then you can use your existing password to log in and cast your vote.
- ii. If you are using e-voting system for the first time, follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>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.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	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. <ul style="list-style-type: none"> <li>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.</li> </ul>

- iii. After entering these details appropriately, click on “SUBMIT” tab.
- iv. 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.

- v. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- vi. Click on the EVSN for the relevant <KG Petrochem Ltd> on which you choose to vote.
- vii. 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.
- viii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- ix. 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.
- x. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xi. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xii. 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.
- xiii. 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](http://www.evotingindia.com) and register themselves in the “Corporate” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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; [jproffice21@bhavik.biz](mailto:jproffice21@bhavik.biz), if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**B. INSTRUCTIONS FOR MEMBERS FOR 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) Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM.
- (I) Further, shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the AGM.
- (II) 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.
- (III) 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](mailto: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](mailto:jproffice21@bhavik.biz). These queries will be replied to by the company suitably by email.

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

- (I) If shares are held in physical mode: Please provide Folio Number, name of member, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhaar Card)
- (II) In case shares are held in demat mode: please provide DP ID and Client ID (16-digit DP ID + Client ID or 16-digit beneficiary ID), name of member, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), Aadhaar (self attested scanned copy of Aadhaar Card).
- (III) If you are an individual shareholder holding securities in demat mode: 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](mailto: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, 25<sup>th</sup> Floor,

Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

### **Other Instructions**

- (I) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same. The results will be announced within the time stipulated under the applicable laws.
- (II) The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.kgpetro.in](http://www.kgpetro.in) and on the website of CDSL immediately. The Company shall simultaneously forward the results to Stock Exchanges, where the shares of the Company are listed.

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

Sd/-  
**Gauri Shanker Kandoi**  
**Chairman cum Whole-Time Director**  
**DIN: 00120330**  
**Jaipur, July 27, 2022**

### **Registered Office:**

C-171, Road No.9J, V.K.I. Area, Jaipur-302013 Rajasthan India  
Tel.: 91-141-2331231; Email: [jproffice21@bhavik.biz](mailto:jproffice21@bhavik.biz); Website: [www.kgpetro.in](http://www.kgpetro.in);  
CIN: L24117RJ1980PLC001999

## **EXPLANATORY STATEMENT**

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

### **ITEM NO.3**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Vikas Damani, as an Additional Independent Director of the Company, not liable to retire by rotation, for a term of 5 (Five) consecutive years subject to approval of the Members. The Company has, in terms of Section 160 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. Vikas Damani 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 Listing Regulations.

In the opinion of the Board, Mr. Vikas Damani fulfils the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company.

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

The Board on the basis of the report of performance evaluation and that his continued association would be of immense benefit to the Company, has recommended re-appointment of Mr. Vikas Damani as an Independent Director for a term of 5 (Five) consecutive years.

Details of Mr. Vikas Damani, are provided in the "Annexure-A" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings("SS-2"), issued by the Institute of Company Secretaries of India.

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

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Act is, in any way, financially or otherwise, concerned or interested in this resolution.

### **ITEM NO. 4**

As per the recommendation of Nomination and Remuneration Committee, the board in its meeting held on June 01, 2022 has appointed Mr. Ajay Kumar Sharma (DIN: 09404189) as an Additional Director (Executive) of the company to hold office up to the date of this AGM. In the opinion of the Nomination and Remuneration Committee & Board, Mr. Ajay Kumar 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. Ajay Kumar Sharma fulfils the criteria/ conditions specified under the Act and the SEBI (Listing Obligations and



Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) for appointment a as Director of the company. Mr. Ajay Kumar Sharma is not related to any Director of the company.

Details of Mr. Ajay Kumar Sharma, are provided in the “Annexure-A” to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

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, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Act is, in any way, financially or otherwise, concerned or interested in this resolution.

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

**Sd/-**  
**Gauri Shanker Kandoi**  
**Chairman cum Whole-Time Director**  
**DIN: 00120330**  
**Jaipur, July 27, 2022**

**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-A

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

<b>Name</b>	<b>Gauri Shanker Kandoi</b>	<b>Vikas Damani</b>	<b>Ajay Kumar Sharma</b>
<b>DIN</b>	00120330	00385807	09404189
<b>Age &amp; DOB</b>	78 Years (07/11/1943)	52 Years (27/05/1970)	44 Years (01/07/1978)
<b>Qualification</b>	B.E. in Mechanical from BITS Pilani	B.E. in Mechanical from VIT, Pune	Bachelor of Commerce
<b>Experience</b>	Carry rich experience of around 57 years in management.	Carry wide experience of around 20 years in Transmission Line, Substation, Hardware and accessories	Carry wide experience of almost 17 years in the field of Marketing and Sales.
<b>Date Of Original Appointment (dd/mm/yyyy)</b>	05/09/1998	03/01/2022	03/01/2022
<b>Relationship with other directors and Key Managerial Personnel of the company</b>	He is related to Key Managerial Personnel as follow: - Father of Managing Director Manish Singhal - Father in Law of Whole Time Director Prity Singhal	NIL	NIL
<b>Number of meetings of the Board attended during the year</b>	7 out of 7 meeting attended	2 out of 7 meeting attended	2 out of 7 meeting attended
<b>List of the directorships held in other companies as on March 31, 2022*</b>	Directorship: NIL Committee membership: NIL	Directorship: - Rajasthan Transmat Private Limited - Aditya Casters Private Limited Committee membership: NIL	Directorship: NIL Committee membership: NIL
<b>Details of listed companies from which Director has resigned in the past three years</b>	NIL	KG Petrochem Ltd- 03/04/2022	KG Petrochem Ltd- 03/04/2022
<b>Past Remuneration</b>	Rs. 8,00,000/- PM	NIL	NIL
<b>Proposed Remuneration</b>	Not exceeding to Rs. 20,00,000/- Per Month or as may be decided by the board of directors	NIL	
<b>Shareholding in the company as on March 31, 2022</b>	14,28,798 number of Equity Shares of Rs. 10/- each	NIL	NIL

\*Directorship includes Directorship of Companies (Listed or not) & Committee membership/ chairmanships.

## **DIRECTORS' REPORT**

**To**  
**Dear Members**  
**KG Petrochem Limited**

The Board of Directors present the report of the business and operations of KG Petrochem Limited ("the Company") along with the audited financial statements for the financial year ended **March 31, 2022**.

### **1. FINANCIAL PERFORMANCE**

**(Rs. In Lakhs except EPS)**

<b>Particulars</b>	<b>March 31, 2022</b>	<b>31.03.2021</b>
Income from Business Operations	35,376.70	29,810.67
Other Income	1,175.54	815.47
<b>Total Income</b>	<b>36,552.24</b>	<b>30,626.14</b>
<b>Profit/(Loss) Before Depreciation, Interest &amp; Tax</b>	<b>4,841.19</b>	<b>4,571.85</b>
Less: Depreciation	1,721.80	1,668.90
Less: Interest	805.42	755.31
<b>Profit/(Loss) Before Tax</b>	<b>2,313.97</b>	<b>2,147.64</b>
Less: Tax Expenses	570.26	579.91
<b>Net Profit/ (Loss) After Tax</b>	<b>1,743.71</b>	<b>1,567.73</b>
Earnings per share (Basic)	33.40	30.03
Earnings per share (Diluted)	33.40	30.03

### **2. STATE OF COMPANY AFFAIRS AND FUTURE OUTLOOK**

During the year under review, due to COVID-19 Pandemic, the revenue of the company has been significantly increased in comparison to the previous financial year. Your Company has achieved revenue from operations of Rs. 35,376.70 Lakhs as compared to Rs. 29,810.67 Lakhs in the previous financial year which shows an increase of 18.67%. Operational Profit (PBT) stood at Rs. 2,313.97 Lakhs as compared to Rs. 2,147.64 Lakhs in the 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. 30,886.58 Lakhs including export sales of Rs 25,896.09 (FOB) as against Rs. 25699.82 Lakhs including export of Rs. 23341.06 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 20192.28 mt. amounting to Rs. 25451.47 Lakhs in comparison of 27105.22 mt. amounting of Rs.27219.54 Lakhs and earned commission of Rs.82.07 Lakhs (before tax) as compared to last year Rs. 107.05 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. 4,408.05 Lakhs including export sales of Rs. 1500.34 Lakhs (FOB) as compared to Rs. 4,003.80 Lakhs including export sales of Rs. 669.40 Lakhs (FOB) in previous financial year. The performance of the division was satisfactory due to the strict lockdown. During the year company had installed the second coating line machine and started production on it.

### **Impact of COVID-19 Pandemic**

The COVID-19 pandemic, continued to be a global challenge, creating disruption across the world. In the first three months of Financial Year 2022, the second wave of the pandemic overwhelmed India's medical infrastructure. The Company has used the principles of prudence in applying judgments, estimates and assumptions to assess overall impact of the pandemic on the business and Financial Statements for the year ended March 31, 2022. However, due to the uncertainties associated with the pandemic, the actual impact may not be in line with current estimates. The Company will continue to closely monitor any further development relating to COVID-19, which may have impact on business and financial position. Further the impact assessment does not indicate any adverse impact on the ability of the company to continue as a going concern. Even amid an unprecedented global crisis, we continue to balance success as a business with exemplary governance and responsiveness to the needs of all our stakeholders.

### **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 Lakhs to General Reserve in terms of Section 134(3)(j) of the Companies Act, 2013 for the financial year ended on March 31, 2022. Further, the Balance specified in the individual head is detailed as below:

(Rs. In Lakhs)					
S. No.	Reserve Head	Opening Balance	Addition	Deduction	Closing Balance
1.	Revaluation Reserve	4,363.03	0.00	48.58	4,314.45
2.	General Reserve	172.20	48.58	0.00	220.78
3.	Retained Earnings	9,490.68	1,743.72	0.00	11,234.39

#### **5. CHANGE IN NATURE OF BUSINESS, IF ANY**

There was no change in the nature of business of the Company during the financial year 2021-2022.

#### **6. INFORMATION ABOUT SUBSIDIARIES/ ASSOCIATES COMPANY/ JOINT VENTURES**

The company does not have any Subsidiary/ Joint Venture 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.

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 during the year under review.

#### **8. ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website and can be accessed at [www.kgpetro.in](http://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 Investments made and Advances Given made are provided in the Financial Statements (Please refer to Note No. 12 and Note No. 17 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, 2022, all transactions with the Related Parties as defined under section 188 of 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. 44 of the Notes to the Financial Statements for the year ended March 31, 2022.

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](http://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 Act 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 2021-2022, on the basis of recent development including operational and financial performance of the Company, CARE Rating Agency has reaffirmed stable rating as follows:

<b>Facilities</b>	<b>Ratings</b>	<b>Rating Action</b>
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
Short Term Bank Facilities	CARE A3+ (A Three Plus)	Revised from CARE BBB; Stable/ CARE A3+ (Triple B; Outlook: Stable/ A Three Plus)

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, 2022 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, 2022, 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 Act, Mr. Manish Singhal, Managing Director of the Company was liable to retire by rotation at the 41<sup>st</sup> 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 Act, Mr. Gauri Shanker Kandoi, Chairman cum Whole Time Director of the Company is liable to retire at the ensuing Annual General Meeting being eligible, seeks reappointment. Based on performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Board recommends his reappointment.

**B) APPOINTMENT/RE-APPOINTMENT OF DIRECTOR'S/KMP's**

- Mr. Kartik Sharma was appointed as Company Secretary and Compliance Officer of the company with effect from August 20, 2021.
- Mr. Kuldeep Sharma was regularized as an Executive Director of the company at the 41<sup>st</sup> Annual General Meeting.
- Mr. Anand Mishra was re-designated as Director (Independent, Non-Executive) of the company at the 41<sup>st</sup> Annual General Meeting.



- Mr. Kuldeep Sharma was appointed and re-designated as Whole Time Director of the Company commencing from September 28, 2021 for a period of 3 (Three) years at the 41<sup>st</sup> Annual General Meeting.
- Mr. Aditya Trivedi was appointed as Company Secretary and Compliance Officer of the company with effect from October 29, 2021.
- Mr. Ajay Kumar Sharma was appointed as an Additional Director (Executive) by Board of Directors of the Company on January 03, 2022.
- Mr. Vikas Damani was appointed as an Additional Director (Independent, Non-Executive) by Board of Directors of the Company on January 03, 2022.

#### **C) RESIGNATION OF DIRECTOR's/KMP's**

- Ms. Antima Madhani resigned as Company Secretary and Compliance Officer of the company with effect from June 26, 2021.
- Mr. Kartik Sharma resigned as Company Secretary and Compliance Officer of the company with effect from October 23, 2021.
- Mr. Kuldeep Sharma, Whole Time Director of the company has resigned with effect from November 13, 2021.
- Mr. Jai Prakash Khandelwal, Independent Director of the company has resigned with effect from January 03, 2022.

**After the closure of the year under review, the following changes occurred in the constitution of the Board:**

#### **A) RESIGNATION OF DIRECTOR**

- Mr. Vikas Damani, Additional Independent Director of the company has resigned from the post of directorship of the company w.e.f. April 03, 2022 due to expiry of his tenure as per regulation 17(1)(c) of SEBI (LODR) Regulations, 2015. The Board place on record its appreciation for the assistance and guidance provided by him during his tenure as Director of the Company.
- Mr. Ajay Kumar Sharma, Additional Director (Executive) of the company has resigned from the post of directorship of the company w.e.f. April 03, 2022 due to expiry of his tenure as per regulation 17(1)(c) of SEBI (LODR) Regulations, 2015. The Board place on record its appreciation for the assistance and guidance provided by him during his tenure as Director of the Company.

#### **B) APPOINTMENT OF DIRECTOR**

- The company has duly appointed back Mr. Vikas Damani after going through the eligibility as per the Act the Board has appointed him as an Additional Independent Director on June

01, 2022 and it is proposed to appoint him for the term of 5 consecutive years as per terms and condition defined under resolution in the Notice of Annual General Meeting.

- The company has duly appointed back Mr. Ajay Kumar Sharma after going through the eligibility as per the Act the Board has appointed him as an Additional Director (Executive) on June 01, 2022 and it is proposed to appoint him as an Executive Director 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 as "Annexure-A" to the notice of AGM.

#### **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 as per the provisions of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (as amended from time to time), all four Independent Directors of the company have registered their name as Independent Directors in Database of IICA and Mr. Anand Mishra, Mr. Bridhi Chand Sharma and Mr. Vikas Dhamani have passed the online proficiency self-assessment test and Mr. Kamlesh Sharma is exempted to clear the said online proficiency self-assessment test.

The terms & conditions for the appointment of Independent Directors are given on the website of the Company' website and can be accessed at i.e. [www.kgpetro.in](http://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 and can be accessed at [www.kgpetro.in](http://www.kgpetro.in).

## **19. FORMAL ANNUAL EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

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

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. In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

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 Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

At the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

The performance evaluation of Managing Directors and Executive directors of the Company was done by all the directors (excluding the director being evaluated). The Board founded the evaluation satisfactory and no observations were raised during the said evaluation in current year as well as in previous year.

## **20. AUDITOR AND REPORT THEREON**

### **A. STATUTORY AUDITOR**

M/s. R. Sogani & Associates, Chartered Accountants (Firm Registration Number: 018755C) were appointed as Statutory Auditors of the Company, at the Annual General Meeting held on September 09, 2019 for a period of five years from the conclusion of 39<sup>th</sup> Annual General Meeting till the conclusion of 44<sup>th</sup> Annual General Meeting.

In this regard and rules made there-under, the Company has received certificate from the in accordance with provisions of Section 141 of the Act.

M/s. R. Sogani & Associates, Chartered Accountants, have submitted their Report on the Financial Statements of the Company for the Financial Year 2021-22, which forms part of the Annual Report 2021-22.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Reports that may call for any explanation from the Directors.

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.

### **B. SECRETARIAL AUDITOR**

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 2021-22.

The Secretarial Auditors' Report for the financial year 2021-2022 does not contain any qualification, reservation or adverse remark. The Secretarial Auditors' Report in Form MR-3 is enclosed as **Annexure 2** to the Board's report.

M/s ARMS & Associates LLP, Practicing Company Secretaries, are appointed as secretarial auditor of the Company for the financial year 2022-2023, as required under Section 204 of the Companies Act, 2013 and Rules there under.

During the financial year 2021-2022, no fraud was reported by the Secretarial Auditor of the Company in their Audit Report.

➤ **Annual Secretarial Compliance Report**

The Company has obtained an Annual Secretarial Compliance Report for the financial year ended March 31, 2022 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, 2022 has been submitted to the Stock Exchanges within the prescribed statutory timelines and annexed to the Report on Corporate Governance.

**C. INTERNAL AUDITOR**

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 Auditors of the Company for the financial year 2021-22.

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 2021-22 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 2021-2022, 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 2022-2023.

**D. COST AUDITOR**

In accordance with section 148 read with Sub Rule (3) of Rule 4 of Companies (Cost Records & Audit), Rules, 2014, Cost Audit for the FY 2021-2022 is not applicable on the company, as the export turnover of the company is more than 75% of its total turnover.

**21. COMMITTEES OF BOARD**

As on March 31, 2022, the Board had five committees: the audit committee, the corporate social responsibility committee, the nomination and remuneration committee, the stakeholders relationship committee and the finance committee.

During the year, all recommendations made by the committees were approved by the Board.

A detailed note on the composition, charters and meetings held during the year and attendance thereat is provided in the *Corporate Governance* 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").

This 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 Compliance Officer shall regulate, monitor and report trading adherence to the PIT Regulations. The same is available on the website of the Company at [www.kgpetro.in](http://www.kgpetro.in)

## **23. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in conformation with Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations, to report concerns about unethical behavior, actual or suspected fraud or violation of the Code. This Policy is available on the Company's website at [www.kgpetro.in](http://www.kgpetro.in). It also provides for adequate safeguards against the victimization of employees who avail the mechanism, and allows direct access to the chairperson of the audit committee in exceptional cases. During the year, no person was denied access to the audit committee.

## **24. CORPORATE SOCIAL RESPONSIBILITY**

The CSR initiatives and activities are aligned to the requirements of Section 135 of the Act. The Company works primarily towards environment sustainability, preventive health care, eradication of hunger, education, women empowerment, contributions to public funded Universities, Indian Institute of Technology (IITs) health and hygiene.

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](http://www.kgpetro.in)

## **25. RISK MANAGEMENT POLICY**

The Company has developed a very comprehensive Risk Management Policy under which all key risk and mitigation plan are compiled in three stages i.e. Risk assessment/ evaluation, Risk Reporting and Management of the risk evaluated and reported. The objective of the policy is to create and protect shareholders' value by minimizing threats or losses, and identifying and maximizing opportunities. The Risk Management Policy defines the risk management approach across the enterprise at various levels including documentation and reporting.

## **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 2021-2022. The following is a summary of sexual harassment complaints received and disposed of during the year 2021-2022:-

<b>Details of Complaints</b>	
Number of complaints at the beginning of FY 2021-2022	Nil
Number of complaints of sexual harassment received in the FY 2021-2022	Nil
Number of complaints disposed off during the year to FY 2021-2022	Nil
Number of complaints to be carried down to FY 2021-2022	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, 2022 was 1340.

## **28. NOMINATION AND REMUNERATION POLICY**

The Company's policy on Appointment and Remuneration of Directors, Senior Management Personnel and other matters as per the provisions of section 178 (3) of the Act is available on the Company's website and can be accessed at [www.kgpetro.in](http://www.kgpetro.in).

Further, the salient features of the policy have been disclosed in the Corporate Governance Report, which is a part of this Report.

## **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.

## **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**

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

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

The company has not made any application during the financial year 2021-2022.



### **33. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report for the year under review as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') is presented in a separate section forming part of the Annual Report as '**Annexure 5**'.

### **34. CORPORATE GOVERNANCE**

The company is committed to follow best Corporate Governance practices and adheres to the Corporate Governance requirements set by the Regulators under the applicable laws/regulations. In line with the foregoing, the company has adopted a Code of Corporate Governance which acts as a guide to the company and the Board on the best practices in the Corporate Governance.

A separate section on Corporate Governance standards followed by the company and the relevant disclosures, as stipulated under Listing Regulations, Companies Act, 2013 and rules made there under forms part of the Annual Report.

A certificate from M/s. ARMS & Associates LLP, Practicing Company Secretaries, conforming compliance by the company to the conditions of Corporate Governance as stipulated under Listing Regulations, is annexed to the Report on Corporate Governance, which forms part of the Annual Report as '**Annexure 6**'.

### **35. CODE OF CONDUCT AND ETHICS**

The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2022. A certificate by the Chief Financial Officer and Managing Director, on the compliance declarations received from the members of the Board and Senior Management forms part of this 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 2022-2023 have been duly paid by the company.

### **37. DEMATERIALISATION OF SHARES**

The Company's shares are compulsorily traded on the floor of the stock exchanges in electronic form by all investors. Equity shares of the Company representing 97.56 percent of the Company's equity share capital are dematerialized as on March 31, 2022. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE902G01016.

### **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**

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- i) in the preparation of annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanations and disclosures relating to material departures, if any;
- ii) they have selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of the affairs of the Company as at March 31, 2022 and of the profit of the Company for year ended on that date;
- iii) they 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) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

### **41. STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS**

The Board of Directors affirm that the company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India SS-1 and SS-2 respectively relating to Meetings of the Board, its Committees and the General Meetings.

#### **42. 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 Order of the Board of Directors  
*for KG Petrochem Ltd*

Sd/-  
**Gauri Shanker Kandoi**  
**Chairman cum Whole-Time Director**  
**DIN: 00120330**  
**Jaipur, July 27, 2022**

**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

### 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

The company has installed 2.05 MW solar plant as an initiative of energy conservation. The total daily average generation / saving of electricity is 8500 unit/day. With this the overall cost of energy will also reduce which will be an add up to being eco-friendly.

### 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. 27,396.42 Lakhs(FOB)
Foreign exchange outgo	:	Rs. 213.66 Lakhs

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

SD/-  
**Gauri Shanker Kandoi**  
**Chairman cum Whole-Time Director**  
**DIN: 00120330**

**Jaipur, July 27, 2022**

**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, 2022**

**To,**  
**The Members,**  
**KG Petrochem Ltd**  
C-171, Road No.9], 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) (hereinafter called “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, 2022 (“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, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contract (Regulation) Act, 1956 (“SCRA”) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(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 and amendments from time to time; **(Not applicable to the Company during the audit period)**
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(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 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(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 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(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)**
- 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 with respect to board and general meetings.
- ii. The Listing Agreements entered into by the Company with Stock Exchange
- iii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

#### **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. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, 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.

**For ARMS & Associates LLP  
Company Secretaries  
ICSI URN: P2011RJ023700  
PR 818/2020**

**SD/-  
Sandeep Kumar Jain  
Designated Partner  
FCS 5398 CP No.4151  
UDIN: F005398D000624161**

**Jaipur, July 14, 2022**

*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.*



**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 record 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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process 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 efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For ARMS & Associates LLP**  
**Company Secretaries**  
**ICSI URN: P2011RJ023700**  
**PR 818/2020**

**SD/-**  
**Sandeep Kumar Jain**  
**Designated Partner**  
**FCS 5398 CP No.4151**  
**UDIN: F005398D000624161**  
**Jaipur, July 14, 2022**

**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 KG values, culture, operation and business decisions at all levels of the organization. Being a responsible corporate citizen, KG 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, 2022 is as under:

Sr. No.	Name of Director	Designation/ Directorship	Nature of	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. 2,091.74 Lakhs**

7. a. Two percent of average net profit of the company as per section 135(5): **Rs. 41.83 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. 41.83 Lakhs**

8. 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)		
2021-22	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
28,62,000			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)	Mode of Implementation Agency	
				State	District						Name	CSR Registration Number
1.	Development Office IIT Delhi	(ix) (b)	No	Delhi	Delhi	1 Year	15.00	15.00	N.A.	Yes	N.A	-
2.	Kandoi Charitable Trust	(i)	Yes	Rajasthan	Jaipur	1 Year	13.62	13.62	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. 28.62 Lakhs**

g. Excess amount for set off, if any: **Rs. 37.85 Lakhs (Note\_1)**

(Rupees In Lakhs)

S. No.	Particulars	Amount
1.	Two percent of average net profit of the company as per section 135(5)	41.83
2.	Total amount spent for the Financial Year	28.62
3.	Excess amount spent for the financial year [ (ii) - (i) ]	-
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)]	-

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.	2020-2021	0.00	85.11	NA			0.00
2.	2019-2020	0.00	0.15	NA			0.00
3.	2018-2019	0.00	2.58	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**

9. 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**

10. 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**

**Note\_1**

S. No.	Particulars	Amount (in Lakhs)
1.	Two percent of average net profit of the company as per section 135(5) for the current F.Y.	41.83
2.	Total amount spent during the Financial Year 2021-22	28.62
3.	Utilized from the surplus expenses done in the previous year(s).	51.06
4.	Amount available for set off in succeeding financial years	37.85

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

SD/-  
**Manish Singhal**  
Managing Director  
DIN : 00120232

SD/-  
**Gauri Shanker Kandoi**  
Chairman cum Whole-Time Director  
DIN: 00120330  
Jaipur, July 27, 2022

**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](http://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 war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest.

Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January.

Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected last January. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.

*(Source: IMF World Economic Outlook, April 2022)*

### **INDIAN ECONOMY**

Just when uncertainties associated with the COVID-19 pandemic were declining, the Russia-Ukraine crisis escalated. Consequently, India's growth outlook appears to have clouded. Crude oil prices are lingering above US\$100 per barrel, and wheat and cereal prices have gone up several times—all of which are critical imports from the two warring nations. India also partly meets its fertilizer needs from the region. For India, which has been battling inflation for a while now, this situation is making matters worse. Higher fuel and fertilizer prices will reduce government revenues and increase subsidy costs. Furthermore, capital outflows and rising import bills will weigh on the current account balance and currency valuation.

Despite the external shocks, India's underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook will be marginal. However, growth will be strong in the next two quarters. growth-enhancing policies and schemes, increased infrastructure spending, rising exports, rapid digitization, and spill-over effects of geopolitical developments will likely aid in growth.

As per the World Bank, India's economy is expected to grow by 8.3 per cent in the fiscal year ending March 2022, unchanged from the June 2021 outlook. The forecast for FY2022/23 and FY2023/24 for India has been upgraded to 8.7 per cent and 6.8 per cent, respectively, reflecting higher investment from the private sector and in infrastructure, and dividends from ongoing reforms.

### **GLOBAL TEXTILE INDUSTRY**

The outbreak of the Coronavirus disease (COVID-19) has acted as a massive restraint on the textile manufacturing market in 2021 as supply chains were disrupted due to trade restrictions and consumption declined due to lockdowns imposed by governments globally. COVID-19 is an infectious disease with flu-like symptoms including fever, cough, and difficulty in breathing. The virus was first identified in 2019 in Wuhan, Hubei province of the People's Republic of China and spread globally including Western Europe, North America and Asia. Steps by national governments to contain the transmission have resulted in halting of manufacturing activities and a decline in economic activity with countries entering a state of lockdown and the outbreak had a negative impact on businesses throughout 2021 and into 2021. However, it is expected that the textile manufacturing market will recover from the shock across the forecast period as it is a 'black swan' event and not related to ongoing or fundamental weaknesses in the market or the global economy.

The global textile market size is expected to grow from \$530.97 billion in 2021 to \$575.06 billion in 2022 at a compound annual growth rate (CAGR) of 8.3%. The textiles market is expected to grow to \$760.21 billion in 2026 at a CAGR of 7.2%.

Asia Pacific was the largest region in the textile market in 2021. Western Europe was the second largest region in the textile market. The regions covered in the textile market report are Asia-Pacific, Western Europe, Eastern Europe, North America, South America, Middle East, Africa.

*(Source: The Business Research Company, Textile Global Market Report 2022.)*

### **INDIAN TEXTILE INDUSTRY**

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.

India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country. Exports of textiles (RMG of all textiles, cotton yarns/fabs/made-ups/handloom products, man-made yarns/fabs/made-ups, handicrafts excluding handmade carpets, carpets and jute mfg. including floor coverings) stood at US\$ 29.8 billion between April-December 2021.

The Indian textiles market is expected to be worth more than US\$ 209 billion by 2029.

India's home textile exports grew at a healthy rate of 9% in FY21 despite the pandemic. In the year 2020-21, 1.13 million tonnes of cotton yarn were exported from India.

## **COMPANY OVERVIEW**

Established in 1980, KG Petrochem Limited (*hereafter referred to as the Company*). Founded by Mr Gauri Shanker Kandoi, Whole Time 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.

### **RISK & CONCERNS**

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 is impacted by the change in the business environment both within the Country and globally and this necessitates continues evaluation. 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.

### **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**

### **I. 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.

### **II. BOARD COMPOSITION**

The Company recognizes and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will leverage differences in thought, perspective, regional and industry experience, cultural and geographical background, age, ethnicity, race, gender, knowledge and skills, including expertise in financial, global business, leadership, board service and governance, sales and marketing, risk management which will ensure that KGPL retains its competitive advantage.

- i. As on March 31, 2022, the Board comprised eight members out of which 4 (Four) Directors are Executive Directors and 4 (Four) are Non- Executive Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 and 152 of the Act.
- ii. None of the Directors on the Board:
  1. holds directorships in more than ten public companies;
  2. serves as Director or as independent directors in more than seven listed entities; and
  3. who are the Executive Directors serves as an independent directors in more than three listed entities.

Necessary disclosures regarding Committee positions in other public companies as on March 31, 2022 have been made by the Directors.

iii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed there under. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

iv. Seven Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

June 29, 2021, August 13, 2021, August 20, 2021, October 29, 2021, November 13, 2021, January 03, 2022, February 14, 2022 and March 15, 2022. The necessary quorum was present for all the meetings except for the meeting held on August 13, 2022 which was adjourned and held on August 20, 2021.

v. The names and categories of the directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2022 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public limited companies in which he/she is a director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director and DIN	Category	Number of Board Meetings attended during the FY 2022	Whether attended last AGM held on September 27, 2021	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
				Chairperson	Member	Chairperson	Member	
Mr. Gauri Shanker Kandoi (Chairman and Whole Time Director) DIN 00120330	Non-Independent, Executive	7	Yes	-	-	-	-	-
Mr. Manish Singhal (Managing Director) DIN 00120232)	Non-Independent, Executive	7	Yes	-	-	-	-	-
Mrs. Prity Singhal (Whole Time Director) DIN 02664482	Non-Independent, Executive	7	Yes	-	-	-	-	-
*Mr. Kuldeep Sharma (Whole Time Director) DIN 03475872	Non-Independent, Executive	3	Yes	-	-	-	-	-
*Mr. Ajay Kumar Sharma	Non-Independent, Executive	2	NA	-	-	-	-	-
Mr. Kamlesh Sharma	Independent, Non-Executive	7	Yes	-	-	-	-	-
*Mr. Jai Prakash	Independent, Non-Executive	6	Yes	-	-	-	-	-

Khandelwal								
Mr. Bridhi Chand Sharma	Independent, Non-Executive	7	Yes	-	-	-	-	-
Mr. Anand Mishra	Independent, Non-Executive	7	Yes	-	-	-	-	-
*Mr. Vikas Damani	Independent, Non-Executive	2	NA	-	-	-	-	-

\*Mr. Kuldeep Sharma and Mr. Jai Prakash Khandelwal has resigned from the post of directorship on November 13, 2021 and January 03, 2022 respectively.

\*Mr. Ajay Kumar Sharma and Mr. Vikas Damani has been appointed as Additional Director on January 03, 2022.

vi. During Financial Year 2022, one meeting of the Independent Directors was held on March 15, 2022. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

vii. The Board periodically reviews the compliance reports of all laws applicable to the Company.

viii. Details of equity shares of the Company held by the Directors as on March 31, 2022 are given below:

Name of the Director	Category	Number of equity shares
Mr. Gauri Shanker Kandoi	Non- Independent, Executive	14,28,798
Mr. Manish Singhal	Non- Independent, Executive	14,44,687
Mrs. Prity Singhal	Non- Independent, Executive	2,64,049

ix. Non-executive Independent Directors of the company do not hold shares more than 2% of total capital of the company as on March 31, 2022.

- x. The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Global Business	Understanding of global business dynamics, across various geographical markets and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries/fields from where they come.

#### **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:

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

<b>Name of the Director</b>	<b>Area of Expertise</b>
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
Mr. Ajay Kumar Sharma	Experience in the field of Marketing and Sales.
Mr. Vikas Damani	Experience in Transmission Line, Substation, Hardware and Accessories.

### III. BOARD COMMITTEES

i. There are five Board Committees as on March 31, 2022, details of which are as follows:

Name of the committee	Extract of terms of reference	Category and composition		Other details
Audit Committee	Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.  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	Name	Category / Designation	<ul style="list-style-type: none"><li>Five meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on: June 29, 2021; August 13, 2021; August 20, 2021; November 13, 2021; February 14, 2022 and March 15, 2022. The necessary quorum was present for all the meetings except for the meeting held on August 13, 2022 which was</li></ul>
		*Jai Prakash Khandelwal	Independent, Non-Executive/Chairperson	
		Kamlesh Sharma	Independent, Non-Executive/Chairperson	
		Bridhi Chand Sharma	Independent, Non-Executive/Member	
		**Anand Mishra	Independent, Non-Executive/Member	
		*Ceased to be a member of the Committee w.e.f. January 03, 2022. **Appointed as a member of this Committee w.e.f. January 03, 2022.		

	<p>other service;</p> <p>3. Reviewing with Management, the annual financial statements before submission to the Board for approval, focusing primarily on:</p> <p>a. Matters required being included in the Directors' Responsibility Statement included in the report of the Board of Directors.</p> <p>b. Any changes in accounting policies and practices thereof and reasons for the same.</p> <p>c. Major accounting entries involving estimates based on the exercise of judgment by management.</p> <p>d. Significant adjustments made in the financial statements arising out of Audit findings.</p> <p>e. Compliance with Stock Exchange and other legal requirements concerning financial statements.</p> <p>f. Disclosure of related party transactions.</p> <p>g. The going concern assumption and compliance with Accounting Standards.</p> <p>h. Qualifications in draft audit report.</p> <p>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;</p>		<p>adjourned and held on August 20, 2021.</p> <ul style="list-style-type: none"> <li>• Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.</li> <li>• The Company Secretary acts as the Secretary to the Audit Committee.</li> <li>• 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.</li> </ul>
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	<p>5. To seek information from any employee;</p> <p>6. To obtain outside legal and professional advice;</p> <p>7.To seek approval or any subsequent modification of transactions of the company with related parties;</p> <p>8. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;</p> <p>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;</p> <p>10.Reviewing, with the management, performance of Statutory and Internal Auditors, and adequacy of the Internal Control Systems;</p> <p>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;</p> <p>12.Discussion with Internal Auditors on any significant findings and follow up there on;</p> <p>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</p>		
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	<p>matter to the board;</p> <p>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;</p> <p>15.To review the functioning of the Whistle Blower mechanism, in case the same is existing;</p> <p>16.Approval of appointment of CFO after assessing the qualifications, experience &amp; background, etc. of the candidate;</p> <p>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;</p> <p>18.Review the management discussion and analysis of financial condition and results of operations;</p> <p>19.Review the statement of significant related party transactions (as defined by the Audit Committee), submitted by management;</p> <p>20.Review the management letters/letters of internal control weaknesses issued by the Statutory Auditors;</p> <p>21.Review the Internal Audit reports relating to internal control weaknesses; and The</p>		
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	<p>appointment, removal and terms of remunerations of the Chief Internal Auditor shall be subject to review by the Audit Committee;</p> <p>22.Review the:</p> <p>a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);</p> <p>b. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7).</p> <p>23.Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.</p>			
<b>Nomination &amp; Remuneration Committee</b>	Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.	<b>Name</b>	<b>Category/Designation</b>	<ul style="list-style-type: none"><li>Five meetings of the Nomination &amp; Remuneration Committee were held during the year under review. The said meetings were held on August 06, 2021; October 25, 2021; November 13, 2021; January 03, 2022 and March 15, 2022. The necessary quorum was present for all the meetings.</li><li>The Company Secretary acts as Secretary to the Committee.</li></ul>
		Kamlesh Sharma	Independent, Non-Executive/Chairperson	
		*Jai Prakash Khandelwal	Independent, Non-Executive/Member	
		Bridhi Chand Sharma	Independent, Non-Executive/Member	
		**Anand Mishra	Independent, Non-Executive/Member	
		*Ceased to be a member of the Committee w.e.f. January 03, 2022.		
**Appointed as a member of this Committee w.e.f. January 03, 2022.				
	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;			

	<div>3. Devising a policy on diversity of Board of Directors;</div> <div>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;</div> <div>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;</div> <div>6. Recommended to the Board, all remuneration, in whatever form, payable to Senior Management;</div> <div>7. Such other matters as the Board may from time to time request the Nomination and Remuneration Committee to examine and recommend/ approve;</div> <div>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.</div>			
Stakeholder Relationship Committee	Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act. <div>1. Resolving the grievances of the security</div>	Name	Category/Designation	<div>• One Meeting of Stakeholder Relationship Committee was held during the year under review on February 14, 2022. The necessary quorum was</div>
		Bridhi Chand Sharma	Independent, Non-Executive/Chairperson	
		Gauri Shanker Kandoi	Executive Director/Member	

	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.;	Manish Singhal	Executive Director/Member	present for the meeting.
	<ol style="list-style-type: none"> <li>Review of measures taken for effective exercise of voting rights by shareholders;</li> <li>Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar &amp; Share Transfer Agent;</li> <li>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.</li> </ol>			<ul style="list-style-type: none"> <li>The Company Secretary acts as Secretary to the Committee.</li> <li><b>Investor Grievance Redressal:</b> During the financial year 2021-22 no complaints were received and resolved by the Company. Further, no complaint was pending as on March 31, 2022.</li> </ul>
<b>Corporate Social Responsibility Committee</b>	<p>Committee is constituted in line with the provisions of Section 135 of the Act.</p> <ol style="list-style-type: none"> <li>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;</li> <li>Recommend the amount of expenditure to be incurred on the Corporate Social</li> </ol>	<b>Name</b>	<b>Category/ Designation</b>	<ul style="list-style-type: none"> <li>One Meeting of Corporate Social Responsibility Committee was held during the year under review on December 24, 2021. The necessary quorum was present for the meeting.</li> </ul>
		Gauri Shanker Kandoi	Executive Director/Chairperson	
		Manish Singhal	Executive Director/Member	
		Bridhi Chand Sharma	Independent, Non-Executive/Member	

	Responsibility activities; 3. Monitor the Corporate Social Responsibility Policy of the company from time to time.			
<b>Finance Committee</b>	Finance Committee oversight responsibilities with respect to the monitoring the Company's financial resources, including its capital management and recovery and resolution planning processes. The brief description of terms of reference of Finance Committee, inter alia, includes the following: <ul style="list-style-type: none"> <li>review the Corporation's capital structure and annual capital plan, including its capital adequacy and capital planning process, stress-testing and related activities, capital raising, capital distributions, as well as approve and recommend to the full Board approval of our annual capital plan submission and capital management policy;</li> <li>review financial aspects of the Corporation's recovery and resolution plans, and</li> <li>review any additional matters that the Board of Directors may direct to the Committee.</li> </ul>	<b>Name</b>	<b>Category/ Designation</b>	<ul style="list-style-type: none"> <li>One Meeting of Finance Committee was held during the year under review on April 12, 2021. The necessary quorum was present for the meeting.</li> </ul>
		Gauri Shanker Kandoi	Executive Director/Chairperson	
		Manish Singhal	Executive Director/Member	
		Bridhi Chand Sharma	Independent, Non-Executive/Member	

## ii. Nomination and Remuneration Committee-other details

### 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

➤ **Details of Remuneration paid to Directors during Financial Year 2021-22**



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	96,00,000	-	96,00,000
Mr. Manish Singhal	Managing Director	1,20,00,000	-	1,20,00,000
Mrs. Prity Singhal	Whole-Time Director	96,00,000	-	96,00,000
Mr. Kuldeep Sharma	Whole-Time Director	22,03,619	-	22,03,619
Mr. Ajay Sharma	Additional Director	2,58,910	-	2,58,910

**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.

➤ **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](http://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

iii. Number of committee meetings held and attendance records

Name of the Committee	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Finance Committee
No. of Meetings held	5	5	1	1	1
Date of meetings	June 29, 2021; August 13, 2021; August 20, 2021; November 13, 2021; February 14, 2022 and March 15, 2022.	August 06, 2021; October 25, 2021; November 13, 2021; January 03, 2022 and March 15, 2022.	February 14, 2022	December 24, 2021.	April 12, 2021.
<b>No. of Meetings Attended</b>					
Name of Member					
Mr. Gauri Shanker Kandoi	-	-	1	1	1
Mr. Manish Singhal	-	-	1	1	1
Mr. Kamlesh Sharma	5	5	-	-	-
*Mr. Jai Prakash Khandelwal	3	3	-	-	-
Mr. Bridhi Chand Sharma	5	5	1	1	1
**Mr. Anand Mishra	2	2	-	-	-
Whether quorum was present for all the meetings	The necessary quorum was present for all the above committee meetings except for the Audit Committee meeting held on August 13, 2022.				

\* Jai Prakash Khandelwal ceased to be a member of the Audit Committee and Nomination and Remuneration Committee w.e.f. January 03, 2022.

\*\* Anand Mishra was appointed as member of the Audit Committee and Nomination and Remuneration Committee w.e.f. January 03, 2022.

#### IV. GENERAL BODY MEETINGS

##### i. General Meeting

##### a. Annual General Meeting ("AGM"):

S. No.	Day, Date and Time of AGM/EGM	Venue	Special Resolution Passed
1.	39 <sup>th</sup> AGM on September 09, 2019 at 11:00 A.M.	Corporate Office	<ol style="list-style-type: none"><li>1. Appointment of Mr. Jai Prakash Khandelwal as an Independent Director for 5 years.</li><li>2. Appointment of Mr. Bridhi Chand Sharma as an Independent Director for 5 years.</li><li>3. Re-appointment of Mr. Kamlesh Sharma as an Independent Director for a second term of five consecutive years.</li><li>4. Sell/transfer/dispose of the Agency Division of the Company</li></ol>
2.	40 <sup>th</sup> AGM on September 21, 2020 at 11:30 A.M	Video Conferencing	<ol style="list-style-type: none"><li>1. Appointment, re designation of Shri Gauri Shanker Kandoi , Chairman cum Whole-Time Director for further 3 years.</li><li>2. Re-appointment of Mrs. Prity Singhal, Whole-Time Director for further 3 years</li><li>3. Appointment, re-designation of Mr. Manish Singhal, Managing Director for further 3 years.</li></ol>
3.	41 <sup>st</sup> AGM on September 27, 2021at 12:30 P.M	Video Conferencing	<ol style="list-style-type: none"><li>1. Appointment and Re-designation of Mr. Kuldeep Sharma as Whole Time Director of the Company.</li><li>2. Continuation of Directorship of Mr. Bridhi Chand Sharma, Independent Director of the Company.</li><li>3. Authorization Under Section 186 of the Companies Act, 2013</li></ol>

##### b. Extraordinary General Meeting:

No extraordinary general meeting of the members was held during FY 2021-2022.

## **V. 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 31<sup>st</sup> March, 2022.

## **VI. 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.

## **VII. MEANS OF COMMUNICATION**

### **Financial Results:**

The quarterly, half-yearly and annual financial results of the Company are published in Business Remedies in Hindi (Vernacular) language and Financial Express in (English)Language. The results are also displayed on the Company's website [www.kgpetro.in](http://www.kgpetro.in).

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.

### **Website & Newsletter:**

The Company's website [www.kgpetro.in](http://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](http://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.

**VIII. GENERAL SHAREHOLDER INFORMATION****(i) Annual General Meeting**

Day and Date	: Tuesday, August 23, 2022
Time	: 12:30 P.M.
Venue	: C-171, Road No.9J, V.K.I. Area, Jaipur-302013
Phone Number	: 0141-2331231

**(ii) Financial Year**

April 1, 2021 to March 31, 2022

**(iii) Date of Book Closure/ Record Date**

Wednesday, August 17, 2022 to Tuesday, August 23, 2022

Record date: Tuesday, August 16, 2022

**(iv) Listing on Stock Exchange**

**BSE Limited (BSE)**

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

Listing Fees as applicable have been paid.

**(v) Market Price Data- High/Low during each month during the Financial Year 2021-2022:**

High, Low (based on daily closing prices) and number of equity shares traded during each month in FY 2022 on BSE:

Month	Stock Prices (Rs.)		Volume (in No. of shares)	BSE SENSEX	
	High Price	Low Price		High Price	Low Price
April 2021	242.90	199.25	6,774	50,375.77	47,204.50
May 2021	324.85	242.00	21,942	52,013.22	48,028.07
June 2021	359.25	290.90	18,757	53,126.73	51,450.58
July 2021	330.00	270.15	33,931	53,290.81	51,802.73
August 2021	433.20	303.00	23,903	57,625.26	52,804.08
September 2021	419.90	352.25	9,247	60,412.32	57,263.90
October 2021	443.50	353.60	6,352	62,245.43	58,551.14
November 2021	439.90	291.00	14,334	61,036.56	56,382.93
December 2021	354.70	286.00	8,369	59,203.37	55,132.68
January 2022	399.95	296.30	8,199	61,475.15	56,409.63

February 2022	388.00	247.00	11,837	59,618.51	54,383.20
March 2022	332.95	232.25	12,329	58,890.92	52,260.82

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

Name and Address : Niche Technologies Pvt. Ltd  
3A Auckland Place, 7<sup>th</sup> Floor, Room No. 7A & 7B, Kolkata-700017 West Bengal  
Telephone : (033) 22806616  
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 thirty days from the end 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 Mr. Babu Lal Patni, Practicing Company Secretary and the same has been forwarded to BSE.

**(viii) Shareholding as on March 31, 2022:**

**a) Distribution of Shareholding as on March 31, 2022**

Sr. No.	Shareholding of Nominal Value	No. of shareholders	% of shareholders	Share Amount in Rs.	% of shareholding
1	Up to 500	531	82.58	5,05,070	0.97
2	501 to 1000	71	11.04	6,05,180	1.16
3	1001 to 5000	21	3.27	4,27,850	0.82



4	5001 to 10001	5	0.78	3,51,730	0.67
5	10001 to 50000	4	0.62	7,82,020	1.50
6	50001 to 100000	1	0.16	5,26,000	1.01
7	100001 to above	10	1.55	4,90,12,150	93.87
<b>Total</b>		<b>643</b>	<b>100.00</b>	<b>5,22,10,000</b>	<b>100.00</b>

**b) Categories of equity shareholding as on March 31, 2022**

Category	No. of shares held	% of shareholding
Promoters	38,98,034	74.66
Corporate Bodies	2,64,682	5.07
Clearing Members	246	0.00
Non-Resident Indians	819	0.02
Resident Individuals	10,57,219	20.25
<b>Total</b>	<b>52,21,000</b>	<b>100.00</b>

**c) Top ten equity shareholders of the Company as on March 31, 2022**

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
4	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	Pratyush Mittal	15,363	0.29
9	Neelam Mittal	15,339	0.29
10	Prabhudayal Fogla	12,300	0.24
11	Asha Garg	7,831	0.15

**(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, 2022, a total of 50,93,850 equity shares which form 97.56% of the share capital stand dematerialized.

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

The Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2022, as such instruments have not been issued in the past.

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

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

**(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 Private Limited** for the purpose of receiving soft copies of various communications including the Annual Report.

**(xiii) 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 Hometex (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 Texfab (A Unit of K G Petrochem Ltd.) C-171, Road No. 9J, VKI Area, Jaipur-302013 Rajasthan

(xiv) **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.

(xv) **Address for correspondence**

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

Designated e-mail address for Investor Services: jproffice21@bhavik.biz

**IX. OTHER DISCLOSURES**

Particulars	Statutes	Details	Website link for details/policy
Reconciliation of Share Capital Audit	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No. D&CC/FITTC/Cir-16/2002 dated December 31, 2002.	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, 2022.	
Familiarization Programme:	Regulations 25(7) and 46 of SEBI Listing Regulations	Details of familiarization program imparted to Independent Directors are available on the Company's website.	www.kgpetro.in
Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018	Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014	<p>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.</p> <p>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 2021-22. During the financial year 2021-22, no complaint has been received by the members of the committee. Hence, no complaint is pending at the end of the financial year.</p>	
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	All related party transactions that were entered into during the financial year were on arm's length	www.kgpetro.in

		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.	
Details of non-compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three financial years.	Schedule V (C) 10(b) to the SEBI Listing Regulations	NIL	
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has this Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.	www.kgpetro.in
Discretionary requirements	Schedule II Part E of the SEBI Listing Regulations	<ul style="list-style-type: none"> <li>The Company's standalone financial statements for the financial</li> </ul>	

		<p>year ended as on March 31, 2022 were not qualified.</p> <ul style="list-style-type: none"> <li>• The Company follows a robust process of communicating with the shareholders which has been mentioned in the report under “Means of Communication.”</li> <li>• The Internal Auditor of the Company directly submits Internal Audit Report to the Audit Committee on quarterly basis.</li> </ul>	
Code of Conduct	Regulation 17 of the SEBI Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2022. A certificate by the Chief Financial Officer and Managing Director, on the compliance declarations received from the members of the Board and Senior Management forms part of this report.	www.kgpetro.in

**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.

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

During financial year 2021-22 the company has paid following fees to its Statutory Auditors

Sr. No.	Particulars	Amount Paid in (Rs.)
1	Statutory Audit Fees	6,15,000/-

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

**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, 2022, which is annexed as **Annexure B** 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 C**.

**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 D**. During the year under review the company has raised funds through preferential allotment as specified under SEBI Regulations.

**ANNEXURE A**

**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, 2022.

*For **KG Petrochem Ltd***

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

**SD/-**  
**Deepak Singhvi**  
**(Chief Financial Officer)**



**ANNEXURE B**

**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 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](http://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 ending on March 31, 2022 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.	Ajay Kumar Sharma	09404189
5.	Kamlesh Sharma	00037588
7.	Bridhi Chand Sharma	08370330
8.	Anand Mishra	00288257
9.	Vikas Damani	00385807

Ensuring the eligibility 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 & Associates LLP**  
**Company Secretaries**  
**ICSI URN: P2011RJ023700**  
**PR 818/2020**

**SD/-**  
**Sandeep Kumar Jain**  
**Designated Partner**  
**FCS 5398 CP No.4151**  
**UDIN: F005398D000624027**

**Jaipur, July 14, 2022**

**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,  
C-171, Road No. 9J, VKI Area, Jaipur-302013 Rajasthan

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 2021-22 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 2021-22 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 KG Petrochem Limited (“the Company”) for the year ended on March 31, 2022 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 & Associates LLP**  
**Company Secretaries**  
**ICSI URN: P2011RJ023700**  
**PR 818/2020**

**SD/-**  
**Sandeep Kumar Jain**  
**Designated Partner**  
**FCS 5398 CP No.4151**  
**UDIN: F005398D000624082**

**Jaipur, July 14, 2022**



## **INDEPENDENT AUDITOR'S REPORT**

**To**

**The Members of**

**KG Petrochem Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of KG Petrochem Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow 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 March 31, 2022, its 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 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



thereunder, 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 audit opinion on the Financial Statements.

### **Key Audit Matters**

We have determined that there are no key audit matters to communicate in our report.  
[Except for the matter described in the Basis for Opinion section]

### **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's 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 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 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 our 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 2020 ("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 Statement of Cash Flows 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, 2022 taken on record by the Board of Directors, none of the director is disqualified as on 31st March 2022 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 45 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.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons



**R Sogani & Associates**  
Chartered Accountants

"Shree Dham"  
R-20, Yudhishter Marg, 'C'-Scheme, Jaipur - 302005  
Tel: 2222734, 2220735, 2220736  
E-mail: rsa@soganiprofessionals.com  
Website: www.soganiprofessionals.com

or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

**Place: Jaipur**  
**Date: 25.05.2022**

**For R Sogani & Associates**  
**Chartered Accountants**  
**FRN: 018755C**

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

**UDIN: 22403023AJPLWI7372**



**ANNEXURE - A REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT ON  
THE ACCOUNTS OF KG PETROCHEM LIMITED FOR THE YEAR ENDING 31 MARCH,  
2022**

As required by the Companies (Auditor's report) Order, 2020 issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 we report that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company is under process of finalization of records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company does not have any intangible assets and hence, reporting under clause 3(i)(a)(B) of the Order is not applicable.

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once in a year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The inventory were physically verified by the management at regular intervals during the year. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations.



- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, during the year from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial statements are not in agreement with the books of account of the Company. Details are as under:

**(a) Inventories**

**(Amount in Lakhs)**

Quarter	Name of Bank	Particulars of security provided	Amount as per books of accounts	Amount as reported in the quarterly return/ statement	Amount of Difference	Reasons for Material Discrepancies
Apr-21 to Jun-21	SBI/HDFC/ AXIS	Raw Material	3661.66	3236.48	425.18	There are some deviations in Inventory and the reasons are based on the remarks given in Balance sheet and based on the records, they are duly reconciled.
		Work In process	2691.87	1862.12	829.75	
		Finished Goods	972.76	1178.49	-205.73	
		<b>Total Stock</b>	<b>7326.29</b>	<b>6277.09</b>	<b>1049.20</b>	
Jul-21 to Sep-21	SBI/HDFC/ AXIS	Raw Material	3676.61	3216.92	459.69	
		Work In process	3121.53	2204.87	916.66	
		Finished Goods	1688.97	1640.91	48.06	
		<b>Total Stock</b>	<b>8487.12</b>	<b>7062.70</b>	<b>1424.42</b>	
Oct-21 to Dec-21	SBI/HDFC/ AXIS	Raw Material	3922.00	3539.67	382.33	
		Work In process	3898.37	2682.02	1216.35	
		Finished Goods	1458.76	1387.62	71.15	
		<b>Total Stock</b>	<b>9279.13</b>	<b>7609.31</b>	<b>1669.82</b>	
Jan-22 to Mar-22	SBI/HDFC/ AXIS	Raw Material	3330.16	3203.71	126.45	
		Work In process	3467.32	3454.19	13.13	
		Finished Goods	1151.72	1203.72	-52.00	
		<b>Total Stock</b>	<b>7949.20</b>	<b>7861.62</b>	<b>87.58</b>	

**(b) Trade Recievables**

**(Amount in Lakhs)**

Quarter	Name of Bank	Amount as per books of accounts	Amount as reported in the quarterly return/ statement	Amount of Difference	Reasons for Material Discrepancies
Apr-21 to Jun-21	SBI/HDFC/AXIS	6,991.59	6,887.48	104.11	There are some deviations in Trade





Jul-21 to Sep-21	SBI/HDFC/AXIS	7,556.39	7,462.31	94.08	receivables and the reasons are based on the remarks given in Balance sheet and based on the records, they are duly reconciled.
Oct-21 to Dec-21	SBI/HDFC/AXIS	7,581.33	7,563.11	18.22	
Jan-22 to Mar-22	SBI/HDFC/AXIS	8,348.02	8,426.35	-78.33	

- iii. The Company has made investments in, but not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, during the year, in respect of which:
- (a) The Company has not provided any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, during the year, and hence, reporting under clause 3(iii)(a), (c), (d), (e) and (f) of the Order is not applicable to the Company.
- (b) In our opinion, the investments made during the year are, prima facie, not prejudicial to the interest of the Company.
- iv. The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the period under review. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.



(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

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 (including interest)	F.Y. 2009-10	Bombay High Court
Service Tax	23,00,456 (including Edu cess @ 2% and S&HE Cess @ 1%)	F.Y. 2014-15	Central Goods and Services Tax Division-A, Jaipur
Service Tax	19,37,087 (including SBC @ 0.5% and KKK @ 0.5%)	F.Y. 2014-15	Central Goods and Services Tax Division-A, Jaipur
Income Tax Demand	12,16,832 (including interest)	A.Y. 2018-19	Income Tax Department

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. In respect of repayment of dues:
- (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) According to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.



- (d) According to the information and explanations given to us, on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company do not have subsidiaries, associates or joint ventures and hence, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company do not have subsidiaries, associates or joint ventures and hence, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause 3(x)(a) of the Order is not applicable.
- (c) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) According to the information and explanations given to us, no material fraud by the Company or fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) No whistle-blower complaints have been received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to the applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion, the Company has an internal audit system but there is a substantial scope of improvement in terms of coverage of reporting and in compliance by the Company of internal audit.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion the Company has not entered into any non-cash transactions with its Directors



or persons connected with its directors and hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence, reporting under clause 3(xvi) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the current financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has not been resignation of the statutory auditors during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.  
  
We, however, state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of Section 135 of the Companies Act as on the balance sheet date. Hence, reporting under clause 3(xx)(a), (b) of the Order is not applicable for the year.

**Place: Jaipur**  
**Date: 25.05.2022**

**For R Sogani & Associates**  
**Chartered Accountants**  
**FRN: 018755C**

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

**UDIN: 22403023AJPLW17372**



## **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, 2022 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, 2022 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.

### **Other Matter**

Broadly, the Company is having most of the system in place as required for the compliance of Internal Financial Control on Financial Reporting. However, those systems or controls are having scope of further improvement. Also, Company has not documented adequately the internal financial controls based on Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Based on our audit procedures, we are of the opinion that Company has rectified all observations of our audit on internal financial controls



**R Sogani & Associates**  
Chartered Accountants

"Shree Dham"

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Tel: 2222734, 2220735, 2220736

E-mail: [rsa@soganiprofessionals.com](mailto:rsa@soganiprofessionals.com)

Website: [www.soganiprofessionals.com](http://www.soganiprofessionals.com)

over financial reporting to ensure that they do not significantly affect financial reporting on Internal Financial Control as on Balance Sheet date.

**Place: Jaipur**

**Date: 25.05.2022**

**UDIN: 22403023AJPLWI7372**

**For R Sogani & Associates**

**Chartered Accountants**

**FRN: 018755C**

**Sd/-**

**(Bharat Sonkhiya)**

**Partner**

**Membership No.: 403023**



**KG PETROCHEM LIMITED**  
**CIN: L24117RJ1980PLC001999**  
**Registered Office: C-171, Road No. 9J, VKI Area, Jaipur-302013**  
**E-mail: jproffice21@bhavik.biz / Phone : 91-141-2331231**  
**BALANCE SHEET AS AT 31ST MARCH, 2022**

(Amount in Lakhs)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	7	14,332.25	14,926.33
(b) Capital work-in-progress	8	4.86	369.83
(c) Financial Assets			
(i) Other Non-Current Financial Assets	9	272.49	270.47
(d) Other Non Current Assets	10	5.33	10.20
<b>Current Assets</b>			
(a) Inventories	11	7,949.20	5,609.08
(b) Financial Assets			
(i) Investments	12	50.00	50.00
(ii) Trade Receivables	13	8,820.20	8,993.92
(iii) Cash and Cash Equivalents	14	708.97	142.45
(iv) Others Current Financial Assets	15	2,558.14	346.87
(c) Current Tax Assets (Net)	16	10.81	-
(d) Other Current Assets	17	3,592.66	3,495.38
<b>Total Assets</b>		<b>38,304.91</b>	<b>34,214.52</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	18	581.53	581.53
(b) Other Equity	19	15,785.07	14,039.75
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	4,256.57	5,549.91
(b) Deferred Tax Liabilities (Net)	21	157.22	191.73
(c) Other Non Current Liabilities	22	709.32	825.63
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	9,536.36	7,250.38
(ii) Trade Payables	24		
(a) Total Outstanding dues of Micro & Small Enterprises		277.33	93.91
(b) Total Outstanding dues of creditors other than Micro & Small Enterprises		3,720.87	2,738.78
(iii) Other Current Financial Liabilities	25	2,682.50	2,360.88
(b) Other Current Liabilities	26	181.05	154.87
(c) Provisions	27	417.09	359.13
(d) Current Tax Liabilities (Net)	28	0.00	68.02
<b>Total Equity and Liabilities</b>		<b>38,304.91</b>	<b>34,214.52</b>

Significant accounting policies & Notes to Standalone Financial Statements

1 to 55

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

Place : JAIPUR  
Date: 25.05.2022

For & on behalf of the Board of Directors

**OF KG PETROCHEM LIMITED**

**SD/-**  
**(G. S. KANDOI)**  
Chairman Cum Wholetime Director  
DIN: 00120330

**SD/-**  
**(PRITY SINGHAL)**  
Wholetime Director  
DIN: 02664482

**SD/-**  
**(MANISH SINGHAL)**  
Managing Director  
DIN: 00120232

**SD/-**  
**(DEEPAK SINGHVI)**  
CFO

**KG PETROCHEM LIMITED**  
**CIN: L24117RJ1980PLC001999**  
**Registered Office: C-171, Road No. 9J, VKI Area, Jaipur-302013**  
**E-mail: jproffice21@bhavik.biz / Phone : 91-141-2331231**  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2022**

(Amount in Lakhs)

Particulars	Note No.	For the period ended 31.03.2022	For the period ended 31.03.2021
I Revenue From Operations	29	35,376.70	29,810.67
II Other Income	30	1,175.54	815.47
<b>III Total Income (I+II)</b>		<b>36,552.24</b>	<b>30,626.14</b>
<b>IV EXPENSES</b>			
Cost of Material Consumed	31	20,430.75	13,832.87
Changes in inventory of finished goods	32	(2,133.26)	1,101.36
Manufacturing expense	33	8,066.06	6,834.40
Employee benefits expense	34	2,862.50	2,344.66
Finance costs	35	805.42	755.31
Depreciation and amortization expense	7	1,721.80	1,668.90
Other expenses	36	2,485.00	1,941.00
<b>Total expenses (IV)</b>		<b>34,238.27</b>	<b>28,478.50</b>
V Profit/(loss) before exceptional items and tax (III- IV)		<b>2,313.97</b>	<b>2,147.64</b>
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		2,313.97	2,147.64
VIII Tax expense:			
(1) Current tax		604.77	630.00
(2) Tax of earlier year	37	-	1.19
(3) Deferred tax		(34.51)	(51.28)
IX Profit (Loss) for the period from continuing operations (VII-VIII)		1,743.71	1,567.73
X Profit/(loss) for the period		1,743.71	1,567.73
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
a) Remeasurement gain/(loss) of the defined benefit plan		1.62	13.84
(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)		1,745.33	1,581.57
<b>Earnings per equity share (After exceptional items)</b>			
XIII Basic	50	33.40	30.03
Diluted		33.40	30.03

**Significant accounting policies & Notes to Standalone Financial Statements**

**1 to 55**

In terms of our separate Audit Report of even date

For & on behalf of the Board of Directors

**FOR R SOGANI & ASSOCIATES**  
Chartered Accountants  
FRN: 018755C

**OF KG PETROCHEM LIMITED**

**SD/-**  
**(BHARAT SONKHIYA)**  
Partner  
M. No. 403023

**SD/-**  
**i. S. KANDOI**  
Chairman Cum Wholetime Director  
DIN: 00120330

**SD/-**  
**(MANISH SINGHAL)**  
Managing Director  
DIN: 00120232

**Place : JAIPUR**  
**Date: 25.05.2022**

**SD/-**  
**(PRITY SINGHAL)**  
Wholetime Director  
DIN: 02664482

**SD/-**  
**(DEEPAK SINGHVI)**  
CFO

KG PETROCHEM LIMITED  
CIN: L24117RJ1980PLC001999  
Registered Office: C-171, Road No. 9J, VKI Area, Jaipur-302013  
E-mail: jproffice21@bhavik.biz / Phone : 91-141-2331231  
STATEMENT OF CHANGES IN EQUITY

**A. Equity Share Capital**

**1. Current Reporting Period**

(Amount in Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
581.53		-		581.53

**2. Previous Reporting Period**

(Amount in Lakhs)

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous 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, 2020	123.62	7,922.94	4,411.61	-	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)
<b>Balance as at March 31, 2021</b>	<b>172.20</b>	<b>9,490.68</b>	<b>4,363.03</b>	<b>13.84</b>	<b>14,039.75</b>
Balance as at 1st April, 2021	172.20	9,490.68	4,363.03	13.84	14,039.75
Profit for the year	-	1,743.71	-	-	1,743.71
Addition during the year	48.58	-	-	1.62	50.20
Transferred during the year	-	-	(48.58)	-	(48.58)
<b>Balance as at March 31, 2022</b>	<b>220.78</b>	<b>11,234.38</b>	<b>4,314.45</b>	<b>15.46</b>	<b>15,785.07</b>

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 KG PETROCHEM LIMITED**

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

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

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

Place : JAIPUR  
Date: 25.05.2022

SD/-  
(PRITY SINGHAL)  
Wholtime Director  
DIN: 02664482

SD/-  
(DEEPAK SINGHVI)  
CFO

**KG PETROCHEM LIMITED**  
**CIN: L24117RJ1980PLC001999**  
Registered Office: C-171, Road No. 9J, VKI Area, Jaipur-302013  
E-mail: jproffice21@bhavik.biz / Phone : 91-141-2331231  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2022**

(Amount in Lakhs)

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	2021-22		2020-21	
	DETAILS	AMOUNT	DETAILS	AMOUNT
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before exceptional and tax as Statement Profit & Loss (Increase in Reserves)	2,313.97		2,147.64	
Adjusted for :-				
Transfer from Reserves	-		-	
Finance Cost	805.42		755.31	
Interest received	(79.50)		(73.92)	
Remeasurement gain/(loss) of the defined benefit plan	1.62		13.84	
Loss/(Profit) on Sale\ written off of Fixed Assets	-		0.00	
Depreciation	1,721.80		1,668.90	
<b>Operating Profit before Working Capital Changes</b>	<b>4,763.31</b>		<b>4,511.78</b>	
Adjusted for:-				
Increase / (Decrease) in Trade Payables	1165.51		55.17	
Increase / (Decrease) in Borrowings	2285.98		(1,167.65)	
Increase / (Decrease) in Other financial liabilities	321.62		414.68	
Increase / (Decrease) in Other current liabilities	26.18		22.31	
Increase / (Decrease) in Other Non-current liabilities	(116.32)		(120.36)	
Increase / (Decrease) in Provisions (except IT)	57.96		(77.97)	
(Increase)/Decrease in Investments	0.00		(50.00)	
(Increase)/Decrease in Inventory	(2340.12)		482.98	
(Increase)/Decrease in Trade receivables	173.72		(1,733.62)	
(Increase)/Decrease in Others current financial assets	(2211.27)		1,675.85	
(Increase)/Decrease in Other current assets	(97.27)		(932.66)	
(Increase) / Decrease in Non current Financial Assets	(2.01)		(2.64)	
(Increase) / Decrease in Non current Assets	4.86		1.48	
<b>Cash Generated From Operations</b>	<b>4,032.15</b>		<b>3,079.37</b>	
<b>Net Cash used in Operating Activities Before Extraordinary Items</b>	<b>4,032.15</b>		<b>3,079.37</b>	
<b>Cash Generated From Operations</b>	<b>4,032.15</b>		<b>3,079.37</b>	
Less:- Taxes Paid	(683.61)		(659.16)	
<b>Net Cash Flow/(used)From Operating Activities</b>		<b>3,348.54</b>		<b>2,420.21</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
(Increase) / Decrease in Long Term Loans & Advances				
Purchase of Fixed Assets	(757.90)		(908.27)	
(Increase)/decrease to CWIP	(4.86)		(142.59)	
Proceeds From Sales\ written off of Fixed Assets	-		1.28	
Interest received	79.50		73.92	
<b>Net Cash Flow/(used) in Investing Activities</b>		<b>(683.26)</b>		<b>(975.67)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Procurement of Borrowings			-	
Repayment of Borrowings	(1,293.33)		(586.56)	
Capital Subsidy under TUF				
Interest paid	(805.42)		(755.31)	
<b>Net Cash Flow/(used) From Financing Activities</b>		<b>(2,098.76)</b>		<b>(1,341.86)</b>
Net Increase/(Decrease) in Cash and Cash Equivalent		566.52		102.68
Opening balance of Cash and Cash Equivalent		142.45		39.77
<b>Closing balance of Cash and Cash Equivalent</b>		<b>708.97</b>		<b>142.45</b>

**Notes:**

1 Cash and Cash Equivalent consists of following:-

	Rs.	Rs.
Cash on hand	9.04	5.29
Balances with Banks	699.92	137.15
Closing balance of Cash and Cash Equivalent	<u>708.97</u>	<u>142.45</u>

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, 2022		For the year ended March 31, 2021	
	Current	Non Current (including current maturities)	Current	Non Current (including current maturities)
Opening Balance	5,835.50	6,964.79	7,003.15	7,383.56
Cash Flows (Net)	3,700.86	(968.10)	(1,167.65)	(418.77)
Foreign Exchange Difference	-	-	-	-
Closing Balance	9,536.36	5,996.69	5,835.50	6,964.79

In terms of our separate Audit Report of even date

For & on behalf of the Board of Directors

**FOR R SOGANI & ASSOCIATES**

Chartered Accountants  
FRN: 018755C

**OF KG PETROCHEM LIMITED**

SD/-  
**(G. S. KANDOI)**  
Chairman Cum Wholetime Director  
DIN: 00120330

SD/-  
**(MANISH SINGHAL)**  
Managing Director  
DIN: 00120232

SD/-  
**(BHARAT SONKHIYA)**  
Partner  
M. No. 403023

SD/-  
**(PRITY SINGHAL)**  
Wholetime Director  
DIN: 02664482

SD/-  
**(DEEPAK SINGHVI)**  
CFO

Place : JAIPUR  
Date: 25.05.2022

## Notes Forming Part of Financials

### 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 9f, V.K.L 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 Hometex) :-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 1<sup>st</sup> 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 from these estimates. The estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Notes on critical accounting estimates, assumptions and judgements). The management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

#### 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 2022 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

##### 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 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. However, the Invoices booked in the end of the current financial year and are custom cleared in next financial year, then in that case such export is considered in next financial year on the basis of the LEO date.
- 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 Equipment	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.

The Central Government of India had announced a new scheme on Remission of Duties or taxes on Export Product (RoDTEP) which replaced erstwhile scheme of export benefits of Remission of State and Central taxes levies (RoSCTL) w.e.f. January 01, 2021. The Government later announced the Resumption of RoSCTL with retrospective effect for Textile Products and allowed benefits under RoDTEP on other products and the same has been recognized at the year end as applicable.

#### 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 recognised 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.

#### e **Employee benefit expenses**

- Actuarial valuation for gratuity, liability of the Company has been done by Ashok Kumar Garg on the basis of data provided by the management and assumptions used by the LIC. The data so provided and the assumptions used have been disclosed in the notes to accounts.

#### f **Capital spares**

- Only those capital spares whose have a useful life of more than one year and their cost exceeds Rs. 5,000 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.

### 6 **Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

#### **Ind AS 103 - Reference to Conceptual Framework**

- The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 16 - Proceeds before intended use**

- The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### **Ind AS 37 - Onerous Contracts - Costs of Fulfilling a Contract**

- The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 109 - Annual Improvements to Ind AS (2021)**

- The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 106 - Annual Improvements to Ind AS (2021)**

- The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

## NOTE NO. 7 :- Property, Plant &amp; Equipments

S.No.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		Opening balance As on 01.04.2021	Purchases / Additions during the year	Sales / Adjustments during the year	Total Cost As At 31.03.2022	Up to 31.03.2021	for the period	Written back	Reversed	Up to 31.03.2022	As At 31.03.2022	As At 31.03.2021
	<b>TANGIBLE ASSETS :</b>											
1	Right of Use Assets -Land - Leasehold	4,401.90	-	-	4,402.00	140.51	54.86	-	-	195.37	4,206.63	4,261.39
2	Factory Building	3,857.14	219.48	-	4,076.62	754.81	126.64	-	-	881.45	3,195.17	3,102.32
3	Staff & Labour Quarters	54.07	-	-	54.00	7.62	0.87	-	-	8.00	46.00	46.45
4	Plant & Machinery	18,709.84	487.61	-	19,197.00	12,263.68	1,148.24	-	-	13,412.00	5,785.00	6,446.16
5	Weighing Scale	11.96	-	-	12.00	2.55	0.71	-	-	3.00	9.00	9.42
6	Misc. Fixed Assets	264.63	9.84	-	274.00	214.51	7.57	-	-	222.00	52.00	50.12
7	Lab Equipment	51.79	0.30	-	52.00	25.21	3.66	-	-	29.00	23.00	26.58
8	Elect. & Water Fitting	473.44	-	-	473.00	322.61	28.01	-	-	351.00	122.00	150.83
9	DG Set	50.94	-	-	51.00	24.36	2.48	-	-	27.00	24.00	26.59
10	Weighbridge	12.49	-	-	12.00	8.87	0.43	-	-	9.00	3.00	3.62
11	Furniture & Fixtures	212.45	6.05	-	219.00	109.19	15.13	-	-	124.00	95.00	103.26
12	Vehicles	195.97	-	-	196.00	106.54	20.45	-	-	127.00	69.00	89.43
13	Office Equipment	72.71	5.35	-	78.00	48.17	8.34	-	-	57.00	21.00	24.54
14	Computer	71.77	12.85	-	85.00	59.33	5.79	-	-	65.00	20.00	12.44
15	IT Equipments	12.95	-	-	13.00	12.30	-	-	-	12.00	1.00	0.65
16	Office Building	8.21	-	-	8.00	2.03	0.13	-	-	2.00	6.00	6.18
17	Canteen Appliances	1.39	-	-	1.00	1.30	-	-	-	1.00	-	0.09
18	ERP	-	-	-	-	-	-	-	-	-	-	-
19	A.C. Equipments	1.21	-	-	1.00	1.10	-	-	-	1.00	-	0.11
20	Stores & Spares	1,193.60	386.25	-	1,580.00	627.47	298.51	-	-	926.00	654.00	566.13
	<b>TOTAL</b>	<b>29,658.47</b>	<b>1,127.73</b>	<b>-</b>	<b>30,784.62</b>	<b>14,732.14</b>	<b>1,721.80</b>	<b>-</b>	<b>-</b>	<b>16,452.82</b>	<b>14,331.80</b>	<b>14,926.33</b>
	<b>PREVIOUS YEAR</b>	<b>28,676.65</b>	<b>983.09</b>	<b>1.28</b>	<b>29,658.47</b>	<b>13,063.24</b>	<b>1,668.90</b>	<b>-</b>	<b>-</b>	<b>14,732.14</b>	<b>14,926.33</b>	<b>15,613.41</b>

**7.1 :- Details of Benami Property - NIL**

There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder.

**7.2 :- The Title Deeds of Immovable Property are in the name of the Company.****7.3 :- No Intangible Assets are held by the Company.****8 :- CAPITAL WORK IN PROGRESS**

DESCRIPTION OF ASSETS	As at 01.04.2021	Additions Expenses	Additions Others	Capitalized during the year	As at 31.03.2022
Capital Work in Progress BHAVIK	29.12	-	-	29.12	-
Capital Work in Progress ULTRA	149.44	-	-	149.44	-
Capital Work in Progress ANUSHA	191.27	4.86	-	191.27	4.86
<b>Total</b>	<b>369.83</b>	<b>4.86</b>	<b>-</b>	<b>369.83</b>	<b>4.86</b>

**8.1 :- CWIP Ageing Schedule as at 31.03.2022**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4.86	-	-	-	4.86
Projects temporarily suspended	-	-	-	-	-

**8.2 :- CWIP Ageing Schedule as at 31.03.2021**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	92.39	277.19	0.25	-	369.83
Projects temporarily suspended					

9 Other Non-Current Financial Assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security Deposits	272.49	270.47
<b>TOTAL</b>	<b>272.49</b>	<b>270.47</b>

10 Other Non-current Assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Prepaid Expenses (Prepaid Rent)	-	1.17
Unamortized Transaction fees	5.33	9.02
<b>TOTAL</b>	<b>5.33</b>	<b>10.20</b>

11 Inventories

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Material	1,934.98	1,773.38
Work In process	3,467.32	2,004.99
<b>Finished Goods</b>		
Towel/Artificial Leather	1,148.71	477.19
Waste	3.01	3.60
Stores, Spares and Consumables	1,012.29	1,022.99
Dyes & Chemicals	332.71	288.74
Packing Material	50.18	38.20
<b>TOTAL</b>	<b>7,949.20</b>	<b>5,609.08</b>

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

12 Investments

Particulars	As at 31st March, 2022	As at 31st March, 2021
Investments in Mutual Funds	50.00	50.00
<b>TOTAL</b>	<b>50.00</b>	<b>50.00</b>

(Investment in Mutual Fund from ICICI Prudential Fund (74247.68 Units) is Rs.25 Lacs & SBI Mutual Fund (63581.415 Units) is Rs.25 Lacs)

12.1 Bifurcation of above investments as quoted and unquoted investments

Particulars	As at 31st March, 2022	As at 31st March, 2021
Aggregate amount of quoted investments	50.00	50.00
Market Value of quoted investments	54.74	51.88
Aggregate amount of unquoted investments	-	-
Aggregate provision made for diminution in value of investments	-	-

13 Trade Receivables

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Receivables	8,820.20	8,993.92
Receivables from Related Parties	-	-
Less: Allowance for doubtful trade receivables	-	-
<b>Total Receivables</b>	<b>8,820.20</b>	<b>8,993.92</b>
Current portion	8,820.20	8,993.92
Non-current portion	-	-
<b>Breakup of Security Details</b>		
Secured, considered good	-	-
Unsecured, considered good	8,820.20	8,993.92
Doubtful	-	-
<b>Total</b>	<b>8,820.20</b>	<b>8,993.92</b>
Allowance for Doubtful Trade Receivables	-	-
<b>Total Trade Receivables</b>	<b>8,820.20</b>	<b>8,993.92</b>

Trade Receivables ageing schedule :-

Particulars	Not due	Outstanding for the year ended 31.03.2022 from the due date of payment					Total
		Less than 6 months	6months- 1year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	6,266.01	1,738.93	220.57	184.51	42.25	15.92	<b>8,468.18</b>
(ii) Undisputed Trade Receivables – Which have significant increase in credit risk	-	3.03	33.07	67.62	-	0.52	<b>104.23</b>
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	32.77	-	<b>32.77</b>
(v) Disputed Trade Receivables – Which have significant increase in credit risk	-	6.41	0.60	68.56	133.59	5.86	<b>215.01</b>
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>6,266.01</b>	<b>1,748.36</b>	<b>254.24</b>	<b>320.68</b>	<b>208.61</b>	<b>22.29</b>	<b>8,820.20</b>

Particulars	Not due	Outstanding for the year ended 31.03.2021 from the due date of payment					Total
		Less than 6 months	6months- 1year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	5,867.29	2,524.58	173.80	183.29	2.52	17.92	<b>8,769.40</b>
(ii) Undisputed Trade Receivables – Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	7.21	3.24	-	-	<b>10.45</b>
(v) Disputed Trade Receivables – Which have significant increase in credit risk	-	0.00	37.58	172.63	3.85	-	<b>214.06</b>
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>5,867.29</b>	<b>2,524.59</b>	<b>218.60</b>	<b>359.15</b>	<b>6.37</b>	<b>17.92</b>	<b>8,993.92</b>

14 Cash and Cash Equivalents

Particulars	As at 31st March, 2022	As at 31st March, 2021
Bank Balances	699.92	137.15
Cash on Hand	9.04	5.29
<b>TOTAL</b>	<b>708.97</b>	<b>142.45</b>

\* FDR to the extent of Rs.21.30 Lakhs is held as margin money or security against the Letter of Credit.

15 Others Current Financial Assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Forward Contract Account (Fair Valuation)	65.50	-
SWAP Contract Fair Valuation	10.80	28.04
Incentives receivable (Export)	2,471.19	305.18
Accrued Interest	10.65	13.65
<b>TOTAL</b>	<b>2,558.14</b>	<b>346.87</b>

16 Current Tax Asset (Net)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance Tax	700.81	-
Less: Provision for Tax	(690.00)	-
<b>TOTAL</b>	<b>10.81</b>	<b>-</b>

17 Other Current Assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances Given	218.21	449.44
Prepaid Expenses	28.78	30.33
Income Tax Refundable	60.54	40.95
CSR Excess Spent	37.85	51.06
GST & Excise & Service Tax Receivable	2,413.30	2,076.47
Excise & Service Tax (Under Protest)	0.78	0.78
Employee Group Gratuity Fund	122.64	127.43
Interest Receivable Under TUF Scheme	496.75	496.75
TED Receivable	5.73	5.73
Interest Subsidy Under Customized Package	204.39	212.76
Unamortized Loan Processing Fees	3.69	3.69
Unamortized Processing Fees	-	-
<b>TOTAL</b>	<b>3,592.66</b>	<b>3,495.38</b>

17.1 Loans or advances to Specified Persons

The company have not provided any amount in respect of loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment granted to promoters, directors, KMPs and related parties (all of these to be identified as defined under Companies Act, 2013).

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Share Capital</b>		
Authorised :		
70,00,000 (70,00,000) Equity Shares of Rs.10/- each	700.00	700.00
<b>Issued &amp; Subscribed</b>		
63,35,200 (63,35,200) Equity shares of Rs.10 each/-	633.52	633.52
<b>Fully Paid Up</b>		
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	59.43	59.43
<b>TOTAL</b>	<b>581.53</b>	<b>581.53</b>

**(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 :-**

Particulars	As at 31st March, 2022	As at 31st March, 2021
	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	-	-
<b>At the end of the year</b>	<b>5,221,000</b>	<b>5,221,000</b>

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

Name of Shareholder	As at 31st March, 2022	
	No.of Shares held	% of holding
Mr. Manish Singhal	1,444,687	27.67%
Mr. Gauri Shanker Kandoi	1,428,798	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%
Name of Shareholder	As at 31st March, 2021	
	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%

## (d) Details of Promoter's Shareholdings

Disclosure of Shareholding of promoters as at 31.03.2022 is as follows:

Disclosure of Shareholding or promoters as at 31.03.2022 is as follows:						% Change during the Year
Shares held by the promoters at the end of the year						
S.No	Promoter Name	As at March 31, 2022		As at March 31, 2021		
		No. of Shares	% of Total shares	No. of Shares	% of Total shares	
1	Mr. Manish Singhal	1,444,687	27.67%	1,444,687	27.67%	0.00%
2	Mr. Gauri Shanker Kandoi	1,428,798	27.37%	1,428,807	27.37%	0.00%
3	Mrs. Savitri Kandoi	420,500	8.05%	420,500	8.05%	0.00%
4	M/s. Manish Singhal-HUF	340,000	6.51%	340,000	6.51%	0.00%
5	Mrs. Prity Singhal	264,049	5.06%	264,049	5.06%	0.00%

Disclosure of Shareholding of promoters as at 31.03.2021 is as follows:

Shares held by the promoters at the end of the year						% Change during the Year
S.No	Promoter Name	As at March 31, 2021		As at March 31, 2020		
		No. of Shares	% of Total shares	No. of Shares	% of Total shares	
1	Mr. Manish Singhal	1,444,687	27.67%	1,377,625	26.39%	1.28%
2	Mr. Gauri Shanker Kandoi	1,428,807	27.37%	1,428,807	27.37%	0.00%
3	Mrs. Savitri Kandoi	420,500	8.05%	420,500	8.05%	0.00%
4	M/s. Manish Singhal-HUF	340,000	6.51%	340,000	6.51%	0.00%
5	Mrs. Prity Singhal	264,049	5.06%	-	-	5.06%

## 19 Other Equity

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Reserves and Surplus</b>		
<b>1. Revaluation Reserve</b>		
At the beginning of the year	4,363.03	4,411.61
Add: Additions during the year	-	-
Less: withdrawals/transfer	48.58	48.58
Balance at the year end	<b>4,314.45</b>	<b>4,363.03</b>
<b>2. General Reserve</b>		
At the beginning of the year	172.20	123.62
Add: Additions during the year	48.58	48.58
Less: withdrawals/transfer	-	-
Balance at the year end	<b>220.78</b>	<b>172.20</b>
<b>3. Surplus</b>		
At the beginning of the year	9,490.68	7,922.94
Add: Additions during the year	1,743.72	1,567.73
Balance at the year end	<b>11,234.39</b>	<b>9,490.68</b>
<b>4. Other Comprehensive Income</b>		
Actuarial Gain/ Loss on Gratuity	15.46	13.84
<b>TOTAL</b>	<b>15,785.07</b>	<b>14,039.75</b>

## 20 Non Current Borrowings

Particulars	As at 31st March, 2022	As at 31st March, 2021
Term Loan		
Secured		
From Bank		
State Bank of India	<b>2,519.24</b>	<b>3,348.54</b>
Term Loan VII	508.99	793.00
Term Loan VIII	988.35	1,049.49
Term Loan V	-	53.07
Term Loan VI	1,021.90	1,452.98
Axis Bank		
Term Loan	1,096.04	670.00
HDFC	<b>2,366.82</b>	<b>2,919.19</b>
Term Loan	2,096.59	2,520.89
Term Loan	227.98	341.97
Term Loan	42.24	56.33
HDFC - Auto Loans	<b>14.58</b>	<b>27.06</b>
<b>Total</b>	<b>5,996.69</b>	<b>6,964.79</b>
Less : Current maturities of long term borrowings	<b>1,740.11</b>	<b>1,414.88</b>
<b>TOTAL</b>	<b>4,256.57</b>	<b>5,549.91</b>

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

Nature of Security		
i	Term loan from bank (SBI Term Loan V), balance outstanding amounting to Rs. Nil lakhs (March 31, 2021 : Rs. 53.07 lakhs) was 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, 2015. Loan swared off. Rate of Interest 8.45% p.a. as at year end. (March 31, 2021: 8.95% p.a.)*
ii	Term loan from bank (SBI Term Loan VI), balance outstanding amounting to Rs. 1021.90 lakhs (March 31, 2021 : Rs. 1452.98 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 8.45% p.a. as at year end. (March 31, 2021: 8.95% p.a.)*
iii	Term loan from bank (SBI Term Loan VII), balance outstanding amounting to Rs. 508.99 lakhs (March 31, 2021 : Rs. 793.00 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 8.45% p.a. as at year end. (March 31, 2021: 8.95% p.a.)*
iv	Term loan from bank (SBI Term Loan VIII), balance outstanding Rs. 988.35 lakhs (March 31, 2021 : Rs. 1049.49 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 8.45% p.a. (March 31, 2021: 8.95%)*
v	HDFC Term Loan I: balance outstanding amounting to Rs. 2096.59 Lakhs (March 31, 2021 : Rs. 2520.89 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 27 Quarterly installments starting from March, 2019. Last installment due in September, 2025. Rate of Interest: 8.00% (March 31, 2021: 8%)
vi	HDFC Term Loan II: Outstanding Rs. 227.98 Lakhs (March 31, 2021 Rs. 341.97 Lakhs) is secured by First Pari Pasu 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, 2021 : 8.00%)
vii	HDFC Term Loan III: Outstanding Rs. 42.24 Lakhs (March 31, 2021 - Rs. 56.33 Lakhs) is secured by First Pari Pasu 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, 2021 - 8.00%)
viii	Axis Bank WCTL under ECLGS : Outstanding Rs. 656.04 Lakhs (March 31, 2021 - Rs. 670.00 Lakhs) is secured by First Pari Pasu 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 in 48 instalments Rate of Interest :- Repo Rate + 3 % i.e. 7%
ix	Axis Bank WCTL under ECLGS : Outstanding Rs. 440.00 Lakhs (March 31, 2021 - Rs. NIL) is secured by First Pari Pasu 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 Jan., 2024. Total Term Loan Tenor is 3 Years in 36 instalments Rate of Interest :- Repo Rate + 3 % i.e. 7%
Installments falling due within a year in respect of all the above Loans aggregating Rs. 1740.11 lakhs (March 31, 2021 : Rs. 1414.88 lakhs) have been grouped under "Current maturities of long term borrowings" (Refer Note 20)		
* Rate of Interest is without considering interest subsidy under TUF scheme.		

20.1

During the Current Year 2021-22 no borrowing has been done for specific purpose. However, Working Capital Term Loan has been availed under ECLGS and used for Working Capital requirements.

20.2

The company has not been declared as wilful defaulter by any bank or financial Institution or other lender.



## 21 Deferred tax liabilities (Net)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred tax liabilities (Net)	157.22	191.73
<b>TOTAL</b>	<b>157.22</b>	<b>191.73</b>

## 22 Other Non Current Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Government Grants	709.32	825.63
<b>TOTAL</b>	<b>709.32</b>	<b>825.63</b>

## 23 Current Borrowings

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current maturities of long term borrowings (Refer Note 18)</b>	<b>1,740.11</b>	<b>1,414.88</b>
<b>Loan payable on demand from Banks :</b>		
<b>Secured</b>		
<b>State Bank of India</b>		
a. Cash Credit Account	5.86	73.81
b. Packing Credit Limit	-	-
c. LC Discounting	-	-
<b>2 HDFC</b>		
a. Cash Credit Account	10.29	517.14
b. Packing Credit Limit	4,072.15	1,524.32
c. LC Discounting	-	-
<b>3 Axis Bank</b>		
a. Cash Credit Account	-	-
b. Packing Credit Limit	3,707.94	3,720.23
<b>TOTAL</b>	<b>9,536.36</b>	<b>7,250.38</b>

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 Passu charge on entire Current Assets with SBI and Second Pari 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.

### 23.1 :- Borrowings Secured against Current Assets

The company has borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the company with banks or financial institutions are not in agreement with the books of accounts. Summary of reconciliation and reasons of material discrepancies are disclosed below:

(Amount in Lakhs)						
Quarter	Name of Bank	Particulars of security provided	Amount as per books of accounts	Amount as reported in the quarterly return/statement	Amount of Difference	Reasons for Material Discrepancies
Apr-21 to Jun-21	SBI/HDFC/ AXIS					
		Raw Material	3,661.66	3,236.48	425.18	The Stock records and its valuation and Trade Receivable are duly reconciled based on the day to day books of accounts maintained.
		Work In process	2,691.87	1,862.12	829.75	
		Finished Goods	972.76	1,178.49	(205.73)	
		<b>Total Stock</b>	<b>7,326.29</b>	<b>6,277.09</b>	<b>1,049.20</b>	
		Debtors	6,991.59	6,887.48	104.11	
		<b>Creditors</b>	<b>2,214.00</b>	<b>1,864.22</b>	<b>349.78</b>	
Jul-21 to Sep-21	SBI/HDFC/ AXIS					
		Raw Material	3,676.61	3,216.92	459.69	The Stock records and its valuation and Trade Receivable are duly reconciled based on the day to day books of accounts maintained.
		Work In process	3,121.53	2,204.87	916.66	
		Finished Goods	1,688.97	1,640.91	48.06	
		<b>Total Stock</b>	<b>8,487.12</b>	<b>7,062.70</b>	<b>1,424.42</b>	
		Debtors	7,556.39	7,462.31	94.08	
		<b>Creditors</b>	<b>2,215.17</b>	<b>1,998.58</b>	<b>216.59</b>	
Oct-21 to Dec-21	SBI/HDFC/ AXIS					
		Raw Material	3,922.00	3,539.67	382.33	The Stock records and its valuation and Trade Receivable are duly reconciled based on the day to day books of accounts maintained.
		Work In process	3,898.37	2,682.02	1,216.35	
		Finished Goods	1,458.76	1,387.62	71.15	
		<b>Total Stock</b>	<b>9,279.13</b>	<b>7,609.31</b>	<b>1,669.82</b>	
		Debtors	7,581.33	7,563.11	18.22	
		<b>Creditors</b>	<b>3,333.91</b>	<b>3,056.73</b>	<b>277.18</b>	
Jan-22 to Mar-22	SBI/HDFC/ AXIS					
		Raw Material	3,330.16	3,203.71	126.45	The Stock records and its valuation and Trade Receivable are duly reconciled based on the day to day books of accounts maintained.
		Work In process	3,467.32	3,454.19	13.13	
		Finished Goods	1,151.72	1,203.72	(52.00)	
		<b>Total Stock</b>	<b>7,949.20</b>	<b>7,861.62</b>	<b>87.58</b>	
		Debtors	8,348.02	8,426.35	(78.33)	
		<b>Creditors</b>	<b>3,346.41</b>	<b>3,370.37</b>	<b>(23.96)</b>	

## 24 Trade Payables

Particulars	As at 31st March, 2022	As at 31st March, 2021
For Goods		
Outstanding dues of Micro & Small Enterprises	277.33	93.91
Outstanding dues of creditors other than Micro & Small Enterprises	3,720.87	2,738.78
<b>TOTAL</b>	<b>3,998.20</b>	<b>2,832.69</b>

## Trade Payables ageing schedule :-

Particulars	Not Due	Outstanding for the year ended 31.03.2022 from the due date of payment				TOTAL
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	63.84	1,700.78	-	0.30	-	1,764.91
(ii) Others	162.05	1,972.03	9.14	5.63	84.27	2,233.12
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	0.08	0.09	0.17
<b>Total</b>	<b>225.88</b>	<b>3,672.81</b>	<b>9.14</b>	<b>6.01</b>	<b>84.36</b>	<b>3,998.20</b>

Particulars	Not Due	Outstanding for the year ended 31.03.2021 from the due date of payment				TOTAL
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	101.75	75.72	-	-	-	177.48
(ii) Others	258.03	2,298.93	8.74	49.90	39.44	2,655.04
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	0.08	-	0.09	0.17
<b>Total</b>	<b>359.78</b>	<b>2,374.66</b>	<b>8.81</b>	<b>49.90</b>	<b>39.53</b>	<b>2,832.69</b>

## 25 Other Current Financial Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured Loans from Directors	1,540.63	1,526.72
Unsecured Loans from Corporate	120.96	70.70
Liabilities for expenses	1,002.87	739.16
Security Deposit	18.03	15.96
Forward Contract (Fair valuation)	-	8.34
<b>TOTAL</b>	<b>2,682.50</b>	<b>2,360.88</b>

## 26 Other Current Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Statutory Liabilities	81.67	54.07
Advance from Customers	99.38	100.80
<b>TOTAL</b>	<b>181.05</b>	<b>154.87</b>

## 27 Provisions

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for gratuity	212.58	173.87
Provision for Leave Encashment	42.71	22.85
Provision for Bonus	161.80	162.41
<b>TOTAL</b>	<b>417.09</b>	<b>359.13</b>

## 28 Current Tax Liabilities (Net)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Income Tax	-	662.34
Less: Advance Tax	-	(994.32)
<b>TOTAL</b>	<b>-</b>	<b>68.02</b>

29 Revenue From Operations

Particulars	Period ended 31st March, 2022	Period ended 31st March, 2021
(a) <b>Sale of products</b>		
Terry Towels	27,756.70	24,030.44
Coated Fabric (Net)	4,408.05	3,997.77
(b) <b>Sale of Services</b>		
Commission Income	82.07	107.05
		-
(c) <b>Other operating revenue</b>		
Duty Drawback	715.78	645.79
ROSL / ROSCTL / RODTEP Scheme	2,414.10	1,029.63
Duty Credit Scripts (MEIS)	-	-
<b>Total</b>	<b>35,376.70</b>	<b>29,810.67</b>

30 Other Income

Particulars	Period ended 31st March, 2022	Period ended 31st March, 2021
(a) <b>Interest</b>		
Interest from Securities	19.85	22.40
Interest from Bank	1.03	0.77
Other Interest	58.61	50.75
(b) <b>Other non operating revenue</b>		
Foreign Exchange Gain	674.09	310.07
Rental Income	0.72	1.02
Other income	1.17	11.77
Profit on INR/Euro Swap	318.77	250.53
Apportioned income from Government Grants (including TED Refund)	116.32	120.36
Sundry Balances written off (Net)	2.22	19.77
Profit/(Loss) on Fair Valuation of SWAP	(17.24)	28.04
<b>Total</b>	<b>1,175.54</b>	<b>815.47</b>

30.1 Undisclosed Income - NIL

There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

31 Cost of Material Consumed

Particulars	Period ended 31st March, 2022	Period ended 31st March, 2021
<b>Raw Material Consumed</b>		
Opening Stock	1,773.38	1,178.18
Add: Purchases	16,959.85	12,253.97
Purchase of Dyed Towelling Fabric	655.26	272.76
Interunit Purchase	-	-
	<b>19,388.49</b>	<b>13,704.90</b>
Less: Closing Stock	1,934.98	1,773.38
	<b>17,453.51</b>	<b>11,931.52</b>
<b>Dyes &amp; Chemicals Consumed</b>		
Opening Stock	288.74	362.98
Add: Purchases	3,016.23	1,824.72
Freight	4.70	2.38
	<b>3,309.67</b>	<b>2,190.08</b>
Less: Closing Stock	332.44	288.74
	<b>2,977.23</b>	<b>1,901.35</b>
	<b>20,430.75</b>	<b>13,832.87</b>

32 Changes in inventories of Finished Goods & WIP

Particulars	Period ended 31st March, 2022	Period ended 31st March, 2021
<b>Opening Inventories</b>		
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
	<b>2,485.77</b>	<b>3,587.14</b>
<b>Closing Inventories</b>		
Finished Goods (Towel/ Artificial Leather)	1,148.71	477.19
Work in progress	3,467.32	2,004.99
Saleable Waste	3.01	3.60
	<b>4,619.04</b>	<b>2,485.77</b>
<b>INCREASE/(DECREASE)</b>	<b>(2,133.26)</b>	<b>1,101.36</b>

32.1 The Closing inventory of finished goods is inclusive of sales in transit amounting to Rs.57.92 Lakhs

33 Manufacturing expenses

Particulars	Period ended 31st March, 2022	Period ended 31st March, 2021
Consumable Stores	1,377.91	1,179.31
Job Charges	1,918.38	2,097.43
Packing Material	838.45	627.80
Power & Fuel	2,841.57	2,145.73
Repairs & Maintenance- Building	38.71	48.76
Repairs & Maintenance- Plant & Machinery	106.76	74.43
Stores & Spares	617.20	379.02
Other Manufacturing Expenses	327.09	281.93
<b>Total</b>	<b>8,066.06</b>	<b>6,834.40</b>

34 Employee benefits expense

Particulars	Period ended 31st March, 2022	Period ended 31st March, 2021
Salaries & Wages	2,360.90	1,941.33
Contribution to Provident Fund	131.06	85.38
Contribution to ESIC	48.62	38.15
Contribution to Gratuity	56.13	49.04
Staff welfare Expenses	265.77	230.76
<b>Total</b>	<b>2,862.50</b>	<b>2,344.66</b>

35 Financial expense

Particulars	Period ended 31st March, 2022	Period ended 31st March, 2021
Interest Expenses	749.44	705.60
Other Borrowing Costs (Bank Charges)	55.99	49.71
<b>Total</b>	<b>805.42</b>	<b>755.31</b>

36 Other expenses

Particulars	Period ended 31st March, 2022	Period ended 31st March, 2021
Insurance	59.03	51.50
Rent	28.53	32.75
Clearing & Forwarding Charges	1,494.38	750.74
Commission on sale	367.68	372.98
CSR Expenses	41.83	34.05
Payment to Auditors	-	-
- Audit Fees	3.50	3.00
- Others	2.65	1.65
Miscellaneous Expenses	487.39	694.33
Bad Debts	-	-
<b>Total</b>	<b>2,485.00</b>	<b>1,941.00</b>

37 Income Tax Expenses

**Tax expense recognized in the Statement of Profit and Loss**

Particulars	Period ended 31st March, 2022	Period ended 31st March, 2021
<b>Current Tax</b>		
Current Tax on taxable income for the year	604.77	630.00
<b>Total Current Tax expense</b>	<b>604.77</b>	<b>630.00</b>
<b>Deferred Tax</b>		
Deferred Tax charge/(credit)	(34.51)	(51.28)
<b>Total Deferred Income Tax expense/(benefit)</b>	<b>(34.51)</b>	<b>(51.28)</b>
Tax in respect of earlier years	-	1.19
<b>Total income tax expense (including previous year)</b>	<b>570.26</b>	<b>579.91</b>

### 38 FINANCIAL RISK MANAGEMENT

#### 38.1 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. The Company's senior management reviews the financial risks and the appropriate financial risk governance framework for the Company.

#### 38.2 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 HDFC 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, 2022	As at 31st March, 2021
Total Borrowings	13,792.93	12,800.29
Borrowings Having variable rate of interest	1,096.04	1,096.04
% of Borrowings out of above bearing variable rate of interest	7.95%	8.56%

##### (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, 2022	As at 31st March, 2021
Total Export Trade Receivable	6,633.36	6,207.03
Hedged Trade Receivable (Natural Hedge & Forward contract taken)	6,633.36	6,207.03
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.
- The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs.8911.40 lakhs and Rs.8993.92 lakhs as at March 31,2022 and March 31, 2021 respectively. 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 through credit approvals,establishing credit limits and continuously monitoring the credit worthiness of the customers to which the company grants credit terms in the normal course of business.

##### 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.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Carrying amount	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
<b>Year ended March 31, 2022</b>						
Trade payables	3,998.20	3,998.20				
Borrowings	5,996.69	851.96	888.15	1,765.92	2,210.10	280.56
Other financial liabilities	1,002.87	1,002.87				
	<b>10,997.76</b>	<b>5,853.04</b>	<b>888.15</b>	<b>1,765.92</b>	<b>2,210.10</b>	<b>280.56</b>
<b>Year ended March 31, 2021</b>						
Trade payables	2,832.69	2,832.69				
Borrowings	6,964.79	674.22	740.67	1,247.09	2,654.27	1,648.54
Other financial liabilities	739.16	739.16				
	<b>10,536.63</b>	<b>4,246.06</b>	<b>740.67</b>	<b>1,247.09</b>	<b>2,654.27</b>	<b>1,648.54</b>

\* Unsecured Loans from Directors & Corporate and Security Deposits are excluded from Other Financial Liabilities since there payment schedule is not fixed.

### 39 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 carrying amount which are equal to fair value. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

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 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets designated at amortised cost</b>				
Trade Receivables	8,820.20	8,820.20	8,993.92	8,993.92
Cash & Cash Equivalents	708.97	708.97	142.45	142.45
Other Financial Assets	2,819.83	2,819.83	617.34	617.34



Particulars	As at 31st March 2022		As at 31st March 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at fair value through other comprehensive income	-	-	-	-

Particulars	As at 31st March 2022		As at 31st March 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at fair value through profit and loss				
SWAP Contract Fair Valuation	10.80	10.80	28.04	28.04
Forward Contracts	65.50	65.50	-	-

Particulars	As at 31st March 2022		As at 31st March 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities designated at amortised cost				
Borrowings (Non-Current and Current)	13,792.93	13,792.93	12,800.29	12,800.29
Trade Payables	3,998.20	3,998.20	2,832.69	2,832.69
Other Financial Liabilities	2,682.50	2,682.50	2,352.54	2,352.54

Particulars	As at 31st March 2022		As at 31st March 2021	
	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

#### 40 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:

- 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.
- 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.
- 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 2022			
Particulars	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
Trade Receivables	-	-	8,820.20
Cash & Cash Equivalents	-	-	708.97
Other Financial Assets	-	-	2,819.83
SWAP Contract Fair Valuation			10.80
Forward Contracts	65.50	-	-
<b>Financial Liabilities</b>			
Borrowings (Non-Current and Current)	-	-	13,792.93
Trade Payables	-	-	3,998.20
Other Financial Liabilities	-	-	2,682.50
SWAP Contract Fair Valuation	-	-	-
Forward Contracts	-	-	-

As at 31st March 2021			
Particulars	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
Trade Receivables	-	-	8,993.92
Cash & Cash Equivalents	-	-	142.45
Other Financial Assets	-	-	617.34
SWAP Contract Fair Valuation	-	-	28.04
<b>Financial Liabilities</b>			
Borrowings (Non-Current and Current)	-	-	12,800.29
Trade Payables	-	-	2,832.69
Other Financial Liabilities	8.34	-	2,352.54

During the year ended March 31, 2022 and March 31, 2021, there were no transfer into and out of Level 2 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, 2022 and March 31, 2021, respectively:

Particulars	Fair Value Heirarchy	Valuation Technique	Inputs Used
<b>Financial Assets</b>			
Forward Contracts	Level 1	Quoted prices	
SWAP Contract Fair Valuation	Level 3	Interest Rate Parity Theory	

**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, 2022 and March 31, 2021.

**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, 2022, March 31, 2021 is as follows:

Particulars	As on 31st March 2022	As on 31st March 2021
Total debt	15,533.05	14,215.17
Total equity	16,366.60	14,621.27
Ratio	0.95	0.97

## 42 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
<b>As at 1st April 2020</b>	207.46	154.89	55.76	0.01
Excess provision reversed	-	-	(29.74)	-
Actuarial Gain/Loss	-	(15.42)	-	-
Addition during the year	158.91	49.04	-	0.01
Actual Benefits Paid	(203.97)	(14.63)	(3.17)	(0.01)
<b>As at 31<sup>st</sup> March 2021</b>	<b>162.41</b>	<b>173.87</b>	<b>22.85</b>	<b>0.01</b>
Excess provision reversed	-	-	-	-
Actuarial Gain/Loss	-	(6.49)	2.96	-
Addition during the year	161.80	56.13	19.60	-
Actual Benefits Paid/Utilized	(162.41)	(10.94)	(2.70)	(0.01)
<b>As at 31<sup>st</sup> March 2022</b>	<b>161.80</b>	<b>212.58</b>	<b>42.71</b>	<b>-</b>

Particulars	Provision for Bonus	Provision for Gratuity	Provision for Leave encashment	Provision for Taxation
<b>As at 31<sup>st</sup> March 2021</b>				
Current	162.41	-	22.85	0.01
Non Current	-	173.87	-	-
	<b>162.41</b>	<b>173.87</b>	<b>22.85</b>	<b>0.01</b>
<b>As at 31<sup>st</sup> March 2022</b>				
Current	161.80	-	42.71	-
Non Current	-	212.58	-	-
	<b>161.80</b>	<b>212.58</b>	<b>42.71</b>	<b>-</b>

**43 INCOME TAX EXPENSE**

(Amount in Lakhs)		
Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>Current Tax</b>	604.77	630.00
<b>Deferred Tax</b>	(34.51)	(51.28)
Tax in respect of earlier years	-	1.19
<b>Total tax expense (For Current year)</b>	<b>570.26</b>	<b>579.91</b>

**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 2022	For the year ended 31st March 2021
<b>Deferred Tax Asset</b>		
Provision for Leave Encashment	40.72	5.75
Provision for Gratuity	-	43.76
Government Grant	178.52	207.80
Unamortised Finance Cost	-	-
Unamortized transaction cost	2.27	3.20
Provision for Bonus	104.97	40.87
	<b>337.24</b>	<b>301.38</b>
<b>Deferred Tax Liability</b>		
Forward Contract Account (Gain on Fair Valuation)	-	-
Insurance Claim Receivable	-	-
Property, Plant and Equipment	(494.46)	(493.12)
Unamortized transaction cost	-	-
Trade receivables	-	-
	<b>(494.46)</b>	<b>(493.12)</b>
<b>Net Deferred Tax Asset(Liability)</b>	<b>(157.22)</b>	<b>(191.74)</b>

#### 44 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
Sh Ajay Sharma	Additional Executive Director from 03.01.2022
Kuldeep Sharma	Executive Director from 13.02.2021 upto 13.11.2021

###### (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
Shri Bhavik Singhal	Son of Director's Brother

###### (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 upto 03.01.2022
Shri Bridhi Chand Sharma	Independent Director
Anand Mishra	Independent Director
Vikas Damani	Additional Independent Director from 03.01.2022
M/s B I Enterprises Pvt. Ltd.	Son of Director is Director
M/s Chrome International Co. Ltd.	Son of Director is Director
CFO - Deepak Singhvi	Chief Financial Officer
CS - Aditya Trivedi	Compliance Officer from 29.10.2021 onwards
CS - Kartik Sharma	Compliance Officer from 20.08.2021 to 23.10.2021
CS - Antima Madhani	Compliance Officer from 23.03.21 to 26.06.2021

##### (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
<b>Sales &amp; Purchase</b>			
Goods & Material & Services	-	-	435.82
<b>Short term Employee Benefit Expenses</b>	336.63	21.00	13.42
<b>Interest Paid</b>	112.69	-	11.73
<b>Rent Expense</b>	-	5.42	24.44
<b>Other Reimbursements</b>	-	-	-

Nature of Transactions	Related Parties		
	As at 31st March, 2022	As at 31st March, 2021	
<b>Outstandings</b>			
<b>Payable (Trade Payables and other Liabilities)</b>			
Key Management Personnel	1,419.67	1,456.02	
Relatives of Key Managerial Personnel	120.96	70.70	
<b>Total</b>	1,540.63	1,526.72	
<b>Executive Directors Compensation</b>			
(a) Short term Employee Benefits	336.63	240.18	
<b>Total Compensation</b>	336.63	240.18	

#### 45 CONTINGENT LIABILITIES

(Amount in Lakhs)

S.No.	Particulars	As at March 31,2022	As at March 31,2021
<b>(I) Contingent Liabilities</b>			
(i)	Bank Guarantees	450.00	468.00
(ii)	Civil suit	13.76	13.76
(iii)	Service Tax	42.38	-
<b>TOTAL</b>		<b>506.13</b>	<b>481.76</b>

#### Note

Civil Suit pending before Bombay High Court for the period related to FY 2009-10

Service Tax appeal pending for FY 2014-15

#### 46 CAPITAL COMMITMENTS

(Amount in Lakhs)

S.No.	Particulars	As at March 31,2022	As at March 31,2021
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	274.01	48.81
<b>TOTAL</b>		<b>274.01</b>	<b>48.81</b>

#### 47 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	173.87	154.88
Interest cost	12.61	10.84
Current Service Cost	43.53	38.20
Benefits Paid	(13.17)	(14.63)
Actuarial (Gain)/Loss	(6.49)	(15.42)
<b>PV of Obligation at the End of the period</b>	<b>210.34</b>	<b>173.87</b>

##### **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	127.43	126.55
Adjustment last year LIC fund	-	2.35
Expected return on plan asset	9.24	9.02
Contributions	1.07	1.36
Benefits Paid	(13.17)	(10.27)
Actuarial gain/(Loss)	(1.91)	(1.58)
<b>Fair Value of Plan Assets at the end of the period</b>	<b>122.64</b>	<b>127.43</b>

##### **Actuarial Assumptions**

Particulars	Particulars	Particulars
Mortality Rate	IALM 2012-14	IALM 2012-14
Withdrawal Rate	5% p.a.	5% p.a.
Discount Rate	7.25% p.a.	7% p.a.
Salary Escalation	5%	5%



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

##### 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 can not be allocated to any of the business segment are shown as others

##### Information about major Customers:

The company is making sale of more than 10% of Revenue to three different customers.

Customer	Amount of Revenue	Name of Segment
Customer 1	10,026.32	Textile
Customer 2	4,062.68	Textile
Customer 3	3,514.28	Textile

(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
<b>1 Segment Revenue</b>								
Sales and other revenue	28,016.35	24,030.44	4,885.87	3,997.77	82.07	107.05	32,984.29	28,135.25
Other Operating Income	3,129.88	1,669.39	-	6.03	-	-	3,129.88	1,675.42
Inter Unit Transactions	(259.65)	-	(477.82)	-	-	-	(737.47)	0.00
Interest Income	19.76	22.25	1.03	0.77	58.61	50.75	79.41	73.77
Other Income	809.14	519.19	286.99	213.64	-	8.88	1,096.13	741.70
<b>Total Revenue</b>	<b>31,715.48</b>	<b>26,241.26</b>	<b>4,696.07</b>	<b>4,218.21</b>	<b>140.68</b>	<b>166.67</b>	<b>36,552.24</b>	<b>30,626.14</b>
<b>2 Segment Results</b>								
Profit before interest, depreciation & tax	4,419.29	3,796.14	304.63	636.39	117.28	139.32	4,841.19	4,571.85
Interest Expenses	675.76	522.32	98.74	216.86	30.93	16.13	805.42	755.31
Depreciation & Amortization	1,316.66	1,286.67	405.12	382.23	0.02	-	1,721.80	1,668.90
Provision for tax	570.26	579.91	-	-	-	-	570.26	579.91
<b>Profit/(Loss) after tax</b>	<b>1,856.61</b>	<b>1,407.23</b>	<b>(199.23)</b>	<b>37.30</b>	<b>86.33</b>	<b>123.19</b>	<b>1,743.71</b>	<b>1,567.73</b>
<b>3 Other Information</b>								
a Segment Assets	26,502.69	22,346.90	11,569.52	11,421.80	232.70	445.82	38,304.91	34,214.52
<b>Total Assets</b>	<b>26,502.69</b>	<b>22,346.90</b>	<b>11,569.52</b>	<b>11,421.80</b>	<b>232.70</b>	<b>445.82</b>	<b>38,304.91</b>	<b>34,214.52</b>
b Segment Liabilities	17,262.28	13,498.83	4,230.62	5,638.47	445.41	455.95	21,938.31	19,593.25
<b>Total Liabilities</b>	<b>17,262.28</b>	<b>13,498.83</b>	<b>4,230.62</b>	<b>5,638.47</b>	<b>445.41</b>	<b>455.95</b>	<b>21,938.31</b>	<b>19,593.25</b>

Note:- Details of Secondary Segments (Geographical):- Company has business from India and no other place to generate revenue or expenses. Therefore total revenue (100%) is generated from India Only

**49 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, 2022	As at 31st March, 2021
<b>Current Assets</b>		
<b>Financial Assets</b>		
Floating Charge	-	-
Cash & Cash Equivalents	708.97	142.45
Receivables	8,820.20	8,993.92
Fixed Deposit lien by bank against term loan	-	-
<b>Non Financial Assets</b>		
Floating Charge	-	-
Inventories	7,949.20	5,609.08
Other Current Assets	3,592.66	3,495.38
<b>Total Current assets Pledged as security</b>	<b>21,071.02</b>	<b>18,240.83</b>
<b>Non Current Assets</b>		
First Charge		
Land	4,206.63	4,261.39
Building	3,195.17	3,102.32
Furniture, fittings and equipment	95.00	103.26
Plant and Machinery including Store & Spares	6,439.00	7,012.29
Fixed Deposit lien by bank against term loan	-	-
Others	396.00	447.06
<b>Total non-current assets Pledged as security</b>	<b>14,331.80</b>	<b>14,926.32</b>
<b>Total assets Pledged as security</b>	<b>35,402.82</b>	<b>33,167.14</b>

## 50 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 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
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 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Profit and loss after tax	1,743.71	1,567.73
Profit and loss after tax for EPS	1,743.71	1,567.73
Basic Earnings per share (in Rs.)	33.40	30.03
Diluted Earnings per share (in Rs.)	33.40	30.03

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 basic EPS, after adjusting for the effects of potential dilutive equity.

## 51 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 of the view given in para 10 of IND AS 40 "Investment Property"

**Note -52**

**Corporate Social Responsibility Expenditure**

	Year ended 31.03.2022	Year ended 31.03.2021
a) Amount required to be spent during the year (Last Year's Excess CSR Expenditure was Rs.51.05 Lacs & during the current year the amount to be spent is Rs.41.83 Lacs)	-	34.05
b) Amount of expenditure incurred - Ongoing Project - Other	28.62	85.11
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Reason for shortfall	NA	NA
f) Nature of CSR activities	Payment to IIT , Delhi	Payment to IIT , Delhi

**The notes to accounts relating to CSR expenditure should also contain the following:**

- (i) Details of related party transactions, e.g., contribution to a trust / society / section 8 company controlled by the company in relation to CSR expenditure as per Indian Accounting Standard (Ind AS) 24, *Related Party Disclosures*.
- (ii) 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
- (iii) Where a company spends an amount in excess of requirement provided under sub-section (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
- (a) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
- (b) the Board of the company shall pass a resolution to that effect.

- (iv) In case of excess amount spent, the following disclosure should be made:

In case of Section 135(5) Excess amount spent			
Opening Balance	Amount required to be spent during the year	Amount spent during the year	Excess Spent
(51.06)	41.83	28.62	(37.85)

**Details of ongoing project and other than ongoing project**

In case of Section 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In separate CSR Unspent A/c		From Company's bank A/c	In Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	-	-	-	-	-

In case of Section 135(5) (Other than ongoing project)				
Opening Balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
(51.06)	-	41.83	28.62	(37.85)

## 53 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 as transactions as 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 31.3.2022 is as under:

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Forward Contract</b>		
No. of contracts	49	30
US Dollar	9,858,097	7,644,212
INR (in Lakhs) equivalent	7,720.53	5,681.71

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Futures</b>		
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, 2022	As at 31st March, 2021
Raw Material, Spare parts & consumables	1,879.84	642.62
Capital Goods	5.81	361.25

Value of Raw Material, Components, & Spare Parts consumed

(Amount in Lakhs)

Particular	As at 31st March, 2022		As at 31st March, 2021	
	Amount	%	Amount	%
<b>Raw material</b>				
Imported	1,036.89	5.08	493.04	3.56
Indigenous	19,393.85	94.92	13,339.83	96.44
<b>Spare parts</b>				
Imported	449.12	22.51	256.06	16.43
Indigenous	1,545.99	77.49	1,302.27	83.57

Expenses in foreign currency

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Travelling	-	-
Commission	194.53	142.74
Marketing/ Exhibition Exp.	-	-
Misc. Exp.	10.58	1.56
Testing Fee	8.55	5.50

Earning in Foreign Currency

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Export of Goods on FOB Basis	27,396.42	24,010.46

Note :- 54

# Ratio Analysis

Following ratio are being disclosed:

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for change more than 25%
Current ratio	Current Assets	Current Liabilities	1.41	1.43	-1.54%	-
Debt-equity ratio	Total Debt	Shareholder's Equity	0.84	0.88	-3.74%	-
Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	2.09	2.22	-6.02%	-
Return on equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	0.11	0.11	-0.64%	-
Inventory turnover ratio	Cost of goods sold	Average Inventory	3.01	2.36	27.47%	The Cost of Raw Materials has increased remarkably in the Current Year as compared to Previous Year thereby increasing the Ratio.
Trade receivables turnover ratio	Net credit sales = Gross credit sales sales return	Average Trade Receivable	3.61	3.45	4.71%	-
Trade payable turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	6.04	5.12	18.07%	-
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	4.69	5.01	-6.44%	-
Net profit ratio	Net Profit	Net sales = Total sales - sales return	0.05	0.06	-2.96%	-
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.09	0.10	-5.69%	-
Return on investment	Interest (Finance Income)	Investment	-	-	-	-

(a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	March 31, 2022	March 31, 2021
Current Assets	23,690	18,638
Current Liabilities	16,815	13,026
<b>Ratio</b>	<b>1.41</b>	<b>1.43</b>
% Change from previous period/year	<b>-1.54%</b>	

Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	March 31, 2022	March 31, 2021
Total debts	13,793	12,800
Total equity	16,367	14,621
<b>Ratio</b>	<b>0.84</b>	<b>0.88</b>
% Change from previous period/year	<b>-3.74%</b>	

Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments

Particulars	March 31, 2022	March 31, 2021
Profit after tax	1,744	1,568
<b>Add: Non cash operating expenses and finance cost</b>	<b>-</b>	<b>-</b>
- Depreciation and amortizations	1,722	1,669
- Finance cost	805	755
<b>Earnings available for debt services</b>	<b>4,271</b>	<b>3,992</b>
Interest cost on borrowings	749	706
Principal repayments	1,293	1,089
<b>Total Interest and principal repayments</b>	<b>2,043</b>	<b>1,794</b>
<b>Ratio</b>	<b>2.09</b>	<b>2.22</b>
% Change from previous period/year	<b>-6.02%</b>	

Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	March 31, 2022	March 31, 2021
Net profit after tax	1,744	1,568
Total equity	16,367	14,621
<b>Ratio</b>	<b>0.11</b>	<b>0.11</b>
<b>Change in basis points (bps) from previous period / year</b>	<b>-0.64%</b>	
% Change from previous period/year	<b>-0.64%</b>	

Inventory Turnover Ratio = Cost of materials consumed divided by Average inventory

Particulars	March 31, 2022	March 31, 2021
Cost of material consumed	20,431	13,833
Average inventory	6,779	5,851
<b>Inventory turnover Ratio</b>	<b>3.01</b>	<b>2.36</b>
% Change from previous period/year	<b>27.47%</b>	

Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables

Particulars	March 31, 2022	March 31, 2021
Credit sales	32,165	28,028
Average Trade Receivable	8,907	8,127
<b>Ratio</b>	<b>3.61</b>	<b>3.45</b>
<b>% Change from previous period/year</b>	<b>4.71%</b>	

Trade payables turnover ratio = Credit purchases divided by closing trade payables

Particulars	March 31, 2022	March 31, 2021
Credit purchases	20,631	14,351
Average Trade Payables	3,415	2,805
<b>Ratio</b>	<b>6.04</b>	<b>5.12</b>
<b>% Change from previous period/year</b>	<b>18.07%</b>	

Net capital Turnover Ratio = Sales divided by Net Working capital whereas net working capital= current assets - current liabilities

Particulars	March 31, 2022	March 31, 2021
Sales	32,247	28,135
Net working capital	6,875	5,612
<b>Ratio</b>	<b>4.69</b>	<b>5.01</b>
<b>% Change from previous period/year</b>	<b>-6.44%</b>	

Net profit ratio = Net profit after tax divided by Sales

Particulars	March 31, 2022	March 31, 2021
Net profit after tax	1,744	1,568
Sales	32,247	28,135
<b>Ratio</b>	<b>0.05</b>	<b>0.06</b>
<b>Change in basis points (bps) from previous period / year</b>		
<b>% Change from previous period/year</b>	<b>-2.96%</b>	

Return on Capital employed (pre cash)=Earnings before interest and taxes(EBIT) divided by Capital Employed(pre cash)

Particulars	March 31, 2022	March 31, 2021
Profit before tax (A)	2,314	2,148
Finance cost (B)	805	755
Other Income (C )	1,176	815
<b>EBIT (D) = (A) + (B) - (C )</b>	<b>1,944</b>	<b>2,087</b>
Total Assets (E)	38,305	34,215
Current Liabilities (F)	16,815	13,026
Current Investments (G)	50	50
Cash and Cash equivalents (H)	9	5
Bank balances other than cash and cash equivalents (I)	700	137
<b>Capital Employed (Pre Cash) (J)=(E)-(F)-(G)-(H)-(I)</b>	<b>20,731</b>	<b>20,996</b>
<b>Ratio (D) / (J)</b>	<b>0.09</b>	<b>0.10</b>
<b>% Change from previous period/year</b>	<b>-5.69%</b>	

Note :- 55

**Relationship with Struck-off Companies:**

Where the company has any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, the Company shall disclose the following details:-

Name of struck off company	Nature of transactions with struck-off Company	Transaction during the year March 31, 2022	Balance outstanding as at 31.03.2022	Relationship with the Struck off company
	Investments in securities	<b>The company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.</b>		
	Receivables			
	Payables			
	Shares held by struck off companies			
	Other outstanding balances			
Name of struck off company	Nature of transactions with struck-off Company	Transaction during the year March 31, 2021	Balance outstanding as at 31.03.2021	Relationship with the Struck off company
	Investments in securities	<b>The company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.</b>		
	Receivables			
	Payables			
	Shares held by struck off companies			
	Other outstanding balances			

In terms of our separate Audit Report of even date

For & on behalf of the Board of Directors

**FOR R SOGANI & ASSOCIATES**  
Chartered Accountants  
FRN: 018755C

**OF KG PETROCHEM LIMITED**

SD/-  
(G. S. KANDOI)  
Chairman Cum Wholetime Director  
DIN: 00120330

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

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

SD/-  
(PRITY SINGHAL)  
Wholetime Director  
DIN: 02664482

SD/-  
(DEEPAK SINGHVI)  
CFO

Place : JAIPUR  
Date: 25.05.2022