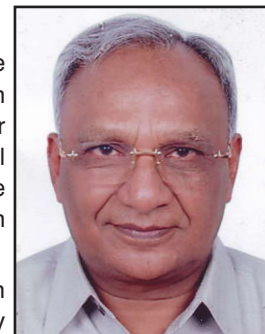




CHAIRMAN'S MESSAGE

Dear Fellow Shareowners,

My colleagues on the Board, I extend my warm welcome and express their gratitude to the all present here at this 38th Annual General Meeting of your Company. I am pleased to present the 38th Annual Report of your company reflecting on our accomplishments during the financial year 2017-2018. Your Company perform well during the financial year. The Board Report and Audited Financial Statements of the Company for the year ended March 31, 2018 along with the Auditors' Report thereon has been with you.



During FY 2017-18, the global economic activity is slower than the expected in comparison to last year. Expectation of robust global demand, reduced deflationary pressures and optimistic financial markets are other upside developments expected in future. Downside risks to global growth include increasing policy uncertainty in major advanced economies, financial market disruptions and weakening potential.

In the domestic arena the Introduction of the Goods and Service Tax law during the financial year has spotted some economic slowdown in the textile industry, later on it is recovered by the continuous updation in the GST Law and procedure..

The Indian Textile Industry has an overwhelming presence in the economic life of the country. The US\$ 70 billion Indian Textile Industry is likely to become a US\$ 220 billion by 2020. The industry contributes 14% to industrial production, 12% to export earnings, 4% to the GDP and provides direct employment to 35 million people in the country. It is estimated that the textile sector will generate an additional 10 million direct employment by 2020.

The Indian Textile Industry continued to reel under pressure on account of increased cost and decreased profitability. These factors resulted in a dip in the Company's bottom-line, however due to well anticipated policy changes resulted in the Company's Top line yet gain touching a new high. Your Company continued to deliver stable operational and financial progress during the period under review. We are delighted to see our revenue from operation achieving new milestone of Rs.23357.47 lacs in FY 2017-18 as against Rs.23154.13 lacs in FY 2016-17. KGPL cross the export level established last year and achieved its next record level of export (FOB) Rs.18897.23 lacs in F.Y. 2017-18 in comparison to Rs.18870.78 lacs in FY 2016-17, although the export turnover slightly increase but the profit before tax decrease Rs. 980.01 lacs as against Rs. 1608.04 lacs in the previous year due to increase overhead cost, specially power consumption and fuel cost.

Further the Installation of a new unit is running full fledged in the name of Ultra Polycoats for manufacturing artificial leather at Keswana Kotputli with installed capacity of 50 Lac mtr/pa of Coated Fabric and expecting that production of unit will commence in the second quarter of current financial year.

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

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

With warm regards,

Gauri Shanker Kandoi

Chairman