



	The Company has derived benefits of product development, cost reduction and better quality as a result of the above efforts
	The research and development is an on-going exercise and suitable efforts will continue to be made in future.
(ii) The steps taken by the company for utilizing alternate source of the energy.	NIL
(iii) The steps taken by the company for utilizing alternate source of the energy.	NIL
(B.) Technology Absorption	
(i) the efforts made towards technology absorption	Efforts are being made towards improvements
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	The benefits derived are:- a. Improved quality and productivity. b. Conservation of fuel & reduced emissions.
(iii) in case of imported technology( imported during the last three years reckoned from the beginning of the financial year) a. The details of the technology imported. b. The year of import. c. Whether the technology been fully absorbed. d. If not fully absorbed, areas whether absorption has not taken place and reasons thereof	NIL
(C ) Foreign exchange earning & outgo	Foreign exchange earnings: Rs.18897.23 lacs Foreign exchange used :Rs. 247.58 lacs

#### ANNEXURE-VI

##### **REPORT ON CORPORATE GOVERNANCE**

In accordance with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at K G Petrochem Limited is as under:

##### **I. Company's Philosophy on Corporate Governance Code:**

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 commitment 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 of Directors

### (a) Board composition and category of Directors

The Company's policy is to maintain optimum combination of Executive Directors, Non-Executive Directors and Independent Directors.

The company is managerial and controlled through a professional body of Board of Directors. The strength of the Board of the Directors as on 31.03.2018 is eight, out of which four are Executive Director and four are Non-Executive Independent Director. The Independent directors do not have any pecuniary relationship or transaction with company, which may affect independence in any manner.

All the Independent Directors of the Company at the time of their first appointment to the Board and thereafter at the first meeting of the Board in every financial year give a declaration that they meet with the criteria of independence as provided under Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

The Composition of the Board of Directors as on March 31, 2018 with their attendance at the Board Meetings held during the year 2017-18 and at the last Annual General Meeting is given below.

Name of the Directors	Categories of Directors	No. of other Directorship(s) held in other public companies	No. of committee position in other companies		Number of shares held
			Chairman	Member	
Gauri Shanker Kandoi DIN : 00120330	Executive Director Promoter	1	-	2	1428807
Manish Singhal 00120232	Executive Director Promoter	NIL	-	-	1377625
Savitri Kandoi*** 06921389	Executive Director Promoter	NIL	-	-	420500
Ramesh Chand Maheshwari 00091429	Executive Director	NIL	-	-	NIL
Rameshwar Pareek 00014224	Non Executive ( Ind. Director )	6	2	1	NIL
Kamlesh Sharma 00037588	Non Executive ( Ind. Director )	NIL	-	-	NIL
Radhey Shyam Gemini 00108706	Non Executive ( Ind. Director )	3	-	-	NIL
Raj Kumar Agarwal 00127215	Non Executive ( Ind. Director )	1	-	-	NIL
Prity Singhal*** 02664482	Executive Director	NIL	-	-	NIL

\* Mrs. Savitri Kandoi has been resigned from Directorship on 21.09.2017

\* Mrs. Prity Singhal has been appointment Executive Director on 01.10.2017

#### Notes:

1. Directorships exclude Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.
2. Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders' Relationships Committee in Indian Public Limited companies other than KG Petrochem Limited. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairperson of more than five such Committees.
3. Mr. Gauri Shaker Kandoi, Mrs. Prity Singhal and Mr. Manish Singhal are related to each other.

**(b) Board Meeting:**

The Board of Directors of the Company met Eight times on 30.05.2017, 20.07.2017, 23.08.2017, 14.09.2017, 30.09.2017, 14.12.2017, 23.12.2017, and 14.02.2018. during the financial year ended 31st March, 2018. The maximum time gap between two meetings was less than four months. Agenda papers were circulated to the Directors in advance for each meeting. All relevant information as required under Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 was placed before the Board from time to time. The attendance of each Director at these meetings and the last Annual General Meeting was as under.

S.No.	Name of the Director	Number of Board Meetings held during the tenure of directorship and attended by them		Attendance at last AGM held on 21.09.2017
		HELD	ATTENDED	
1	Shri G.S. Kandoi	8	8	YES
2	Shri Manish Singhal	8	8	YES
3	Shri Raj Kumar Agarwal	8	8	YES
4	Shri Rameshwar Pareek	8	8	YES
5	Shri R.C. Maheshwari	8	8	YES
6	Shri Kamlesh Sharma	8	8	YES
7	Smt. Savitri Kandoi	8	4	YES
8	Shri Radheyshyam Gemini	8	8	YES
9	Smt. Prity Singhal	8	4	N.A.

The Board of the Company is provided with detailed notes along with the agenda papers in advance in respect of various items discussed in the Board meetings including particularly the followings:

1. Annual Business Plan including financial and operational plan.
2. Quarterly / Yearly financial statement.
3. Review of operation of Divisions.
4. Quarterly statutory compliance report.
5. Minutes of meeting of Audit Committee and other committees of the Board.
6. Appointment of senior executives.
7. Show cause, demand and other notices, which are materially important.

Tenure of Directorship of Mr. R.C. Maheshwari who has been longest in the office, is liable to retire by rotation as per Companies Act, 2013 at the 38th Annual general Meeting and being eligible, offer himself for reappointment.

**(c) Separate Meeting of Independent Directors**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing (Obligation and Disclosure Requirements) Regulation, 2015, a separate meeting of the Independent Directors of the Company was held on 29.12.2017 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties. The Independent Directors found the performance of Non-Independent Directors (including Chairman) and the Board as well as flow of information between the Management and the Board to be satisfactory. All independent directors were present in the meeting.

**(d) Code of Business Conduct and Ethics for Directors and Senior Management**

KG's Principals are enshrined a code of conduct for all our board members and senior management of the company. The code of conduct has been posted on the company's website: - [www.kgpetro.in](http://www.kgpetro.in). The code of conduct has been circulated to all the members of the board and senior management personnel and they have affirmed their compliance with the said code of conduct for the financial 31.03.2018

**(e) Evaluation of the Board's Performance**

The Board has a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board based on the criteria laid down by Nomination and Remuneration Committee which included attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest, adherence to Code of Conduct and Business ethics, monitoring of regulatory compliance, risk assessment and review of Internal Control Systems etc.

**III. AUDIT COMMITTEE:**

(a) As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibility, an Audit Committee has been constituted; The Chairman of the committee is an independent director, elected by the Members of the Committee. All members are Non-Executive and independent Directors and each member have rich experience in financial sector.

Sh. Rameshwar Pareek, Chairman of the Audit Committee was present at the last Annual General Meeting.

Four meetings of the Audit Committee were held during the year viz. on May 30, 2017, September 14, 2017, December 14, 2017, and February 14, 2018 respectively. The composition of the Audit Committee and details of their attendance at the meetings are as follows:

S.No.	Name of the Director	Position	Category	No. of meetings attended
1	Mr. Rameshwar Pareek	Chairman	Non-Executive	4 of 4
2	Mr. Kamlesh Sharma	Member	Independent	4 of 4
3	Mr. Raj Kumar Agarwal	Member	Director	4 of 4

(b) Terms of reference: The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the Cost auditors, the performance of internal auditors and the Company's risk management policies. The terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 as well as Section 177 of the Companies Act, 2013.

(c) The Audit Committee invites CEO & Whole Time Director, Chief Financial Officer and Senior Executives of Accounts Department for each meeting, to provide inputs on issues relating to accounts, taxation, internal audit finding, internal controls, risk managements etc. The minutes of the meetings of the Audit Committee are placed before the Board for their information and confirmation. The Audit Committee also acting under Vigil Mechanism.

**IV. NOMINATION AND REMUNERATION COMMITTEE:-**

(a) The Board has framed Nomination and Remuneration committee for set up and evaluates compensation and benefits for the directors & their relatives and frame policies and system thereof.

Three meetings of the Nomination and Remuneration Committee were held during the year viz. on July 20, 2017. The composition of the Nomination and Remuneration Committee and details of their attendance at the meetings are as follows:

S.No.	Name of the Director	Position	Category	No. of meetings attended
1	Mr. Kamlesh Sharma	Chairman	Non-Executive	1 of 1
2	Mr. Rameshwar Pareek	Member	Independent	1 of 1
3	Mr. Raj Kumar Agarwal	Member	Director	1 of 1



Mr. Kamlesh Sharma, Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting.

(b) Terms of reference: The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors and senior management based on their performance and defined assessment criteria. The Committee formulates the criteria for evaluation of the performance of Independent Directors & the Board of Directors; identifying the persons who are qualified to become directors, and who may be appointed in senior management and recommend to the Board their appointment and removal. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as section 178 of the Companies Act, 2013.

(c) Performance evaluation criteria for Independent Directors-

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Directors which are as under-

**AREAS OF EVALUATION**

1. Frequency of meetings attended
2. Timeliness of circulating Agenda for meetings and descriptiveness
3. Quality, quantity and timeliness of flow of information to the Board
4. Promptness with which Minutes of the meetings are drawn and circulated
5. Opportunity to discuss matters of critical importance, before decisions are made
6. Familiarity with the objects, operations and other functions of the company
7. Importance given to Internal Audit Reports, Management responses and steps towards improvement
8. Exercise of fiscal oversight and monitoring financial performance
9. Level of monitoring of Corporate Governance Regulations and compliance
10. Adherence to Code of Conduct and Business ethics by directors individually and collectively
11. Monitoring of Regulatory compliances and risk assessment
12. Review of Internal Control Systems
13. Performance of the Chairperson of the company including leadership qualities.
14. Performance of the Whole time Director
15. Overall performance of the Board/ Committees.

**V. Remuneration of Directors**

(a) Details of Remuneration to Directors: The Company has paid the following remuneration to Directors during the year under review, which is in accordance with the section 197 of the Companies Act, 2013.

(i) Non-Executive Directors:

The Board of Directors of the company decided that Non-Executive directors are not entitled to get any remuneration, sitting fee and stock options.

(ii) Whole Time Directors				
Executive Director	Business relationship with the company, if any	Remuneration paid during 2017-18 (Rs. in lacs)		
		All elements of remuneration package i.e. salary, benefits, bonuses, pension etc.	Fixed component & performance linked incentives, along with performance criteria	Stock option details, if any
Shri G.S. Kandoi	CMD	76	0	0
Shri Manish Singhal	Whole Time Director	72	0	0
Shri R.C. Maheshwari	Whole Time Director	4.8	0	0
Smt. Prity Singhal (01.10.2017)	Whole Time Director	19	0	0



#### VI. STAKEHOLDERS RELATIONSHIP COMMITTEE

- i. The Stakeholder Relationship Committee looks into shareholders' and investors' grievances. Mr. Raj Kumar Agarwal, Independent Director is the Chairperson of the Committee.
- ii. One meetings of the Stakeholders Relationship Committee were held during the year viz. on October 09, 2017. The composition of the Stakeholders Relationship Committee and details of their attendance at the meetings are as follows:

S.No.	Name of the Director	Position	Category	No.of meetings attended
1	Mr. Raj Kumar Agarwal	Chairman	Independent Director	1 of 1
2	Mr. Gauri Shanker Kandoi	Member	Executive Director	1 of 1
3	Mr. Manish Singhal	Member	Executive Director	1 of 1

- iii. Number of investors' complaints received by the RTA/ Company during the year: Nil Number of complaints not solved to the satisfaction of shareholders during the year: Nil Number of complaints pending as at 31st March, 2018: Nil

#### Warning against Insider Trading

Comprehensive guidelines advising and cautioning the management, staff and other relevant business associates on the procedure to be followed while dealing with the securities of the company have been issued and implemented.

#### VII. CSR COMMITTEE

- i. The Board of Directors, last year constituted "Corporate Social Responsibility Committee" as required under Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee recommends to the board Corporate Social Responsibility Policy and the CSR initiatives and it also monitors implementation of the activities undertaken as per the policy.
- ii. Two meeting of the CSR Committee was held during the year viz. on April 10, 2017 and August 26, 2017. The composition of the CSR Committee and details of their attendance at the meetings are as follows:

S.No.	Name of the Director	Position	Category	No. of meetings attended
1	Mr. Gauri Shanker Kandoi	Chairman	Executive Director	2 of 2
2	Mr. Manish Singhal	Member	Executive Director	2 of 2
3	Mr. Raj Kumar Agarwal	Member	Independent	2 of 2

#### VIII. FINANCE COMMITTEE:

- i. The Finance Committee looks into financial matters like opening and closing bank account, taking loan from bank and financial institutions, arrange finance for new projects, reschedule financial structure of the company etc.
- ii. Two meeting of the Finance Committee was held during the year viz. on May 08, 2017 and March 31, 2018. The composition of the Finance Committee and details of their attendance at the meetings are as follows:

S.No.	Name of the Director	Position	Category	No. of meetings attended
1	Mr. Gauri Shanker Kandoi	Chairman	Executive Director	2 of 2
2	Mr. Manish Singhal	Member	Executive Director	2 of 2
3	Mr. Raj Kumar Agarwal	Member	Independent	2 of 2



iii. Terms of Reference of the said Committee are as follows:

1. Borrow moneys and exercise all powers to borrow moneys (otherwise than by issue of debentures) not exceeding Rs.500 Crore in aggregate at any time and taking all necessary actions connected therewith within the limit prescribed under law.
2. Provide guarantee including performance guarantee, issue letter of comfort and providing securities and taking all necessary actions connected therewith. Review of banking arrangement and taking all necessary actions connected therewith including refinancing for optimization of borrowing costs (subject to overall limit of borrowing).
3. Review of the Company's financial policies, strategies and capital structure.
4. Review of Term loan/working capital and cash flow management.
5. Consider viability for issuance of new modes of securities including foreign funds subject to laws applicable.
6. Advise on financial matters/policies in overall interest of Company.

#### IX. GENERAL BODY MEETINGS

The details of last three Annual General Meeting is as under

Year	Venue	Date	Time	Special Resolution passed
35th 2015	C-171, Road No. 9J, VKI Area, Jaipur-302013	30.09.2015	3:00 PM	Three
36th 2016		26.09.2016	10:30 AM	Nil
37th 2017		21.09.2017	10:30 AM	Three

#### X. MEANS OF COMMUNICATION:

Quarterly, half-yearly and annual financial results are communicated to the Bombay Stock Exchange at Mumbai immediately after these are considered and approved by the Board; and thereafter regularly published in the prominent newspapers like Financial Express and Khabron ki Duniya, etc. as required and also posted on our website: [www.kgpetro.in](http://www.kgpetro.in).

#### XI GENERAL SHAREHOLDERS' INFORMATION

##### (i) Annual General Meeting to be held:

Day : Friday  
Date : 31 August 2018  
Time : 10.30 A.M.  
Venue : F-394(G), ROAD NO. 9F2, VKI AREA, JAIPUR - 302013

##### (ii) Financial Year : 1st April, 2017 to 31st March, 2018

##### (iii) Stock Exchanges on which the Company's Shares are listed:

The Bombay Stock Exchange,  
Phiroze Jeejee bhoy Towers,  
Dalal Street, Fort, Mumbai – 400 001  
The Listing Fees as applicable have been paid within prescribed time period.

##### (iv) Stock Code:

ISIN under depository system : INE902G01016  
The Stock Exchange, Mumbai : 531609



**(v) Market Price Data: High/Low during each month during the financial year 2017-2018:**  
**The details of Monthly High and Low price(s) on the Stock Exchange, Mumbai, for the Financial Year 2016-2017 are as under:**

Month	Monthly High	Monthly Low	Monthly Volume	BSE SENSEX Monthly High	BSE SENSEX Monthly Low
April, 2017	132.30	95.55	5567	30184.22	29241.48
May, 2017	120.00	97.25	5959	31255.28	29804.12
June, 2017	130.10	102.10	15473	31522.87	30680.66
July, 2017	130.85	106.25	19111	32672.66	31017.11
August, 2017	134.30	99.85	8470	32686.48	31128.02
September, 2017	151.00	109.85	18995	32524.11	31081.83
October, 2017	131.00	109.00	5301	33340.17	31440.48
November, 2017	129.00	105.60	8727	33865.95	32683.59
December, 2017	130.00	111.60	5291	34137.97	32565.16
January, 2018	128.10	108.10	10357	36443.98	33703.37
February, 2018	121.25	108.15	9501	36256.83	33482.81
March, 2018	115.00	85.20	16477	34278.63	32483.84

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

Niche Technologies Pvt. Ltd. D-511, Bagree Market, 5th Floor, 71, R.R.B. Basu Road, Kolkata-700001

**(vii) Share Transfer System:**

In order to expedite the process of share transfers, the Board has delegated the power to approve share transfers to senior executives, who attend to share transfer formalities fortnightly. The Company has appointed Niche Technologies Private Limited as Registrar and Share Transfer Agents for physical transfer of securities as well as dematerialization/ re-materialization of securities.

**(viii) Distribution of Shareholding as on March 31, 2018:**

No. of equity shares held	Number	% to Total	Total Shares	% of Total Shares
Up to 500	335	72.1983	55380	1.0607
501 to 1000	86	18.5345	74278	1.4227
1001 to 5000	26	5.6034	44515	0.8525
5001 to 10001	1	0.2155	5600	0.1073
10001 to 50000	5	1.0776	88114	1.6877
50001 to 100000	1	0.2155	52600	1.0075
100001 to above	10	2.1552	4900513	93.8616
Total	464	100	5221000	100

**(ix) Categories of Shareholding as on March 31, 2018:**

Category	No. of Shares held	% of Shareholding
Indian Promoters, Directors & their relatives	3897332	74.65
Foreign Promoters	Nil	Nil
UTI/Financial Institutions & Banks	Nil	Nil
Body Corporate	264203	5.06
NRI/ OCB/ Clearing House/ Public	1130	0.02
Foreign Institutional Investors	Nil	Nil
Indian Public	1058335	20.27
Total	5221000	100





**(x) Dematerialization of shares:**

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, 2018, a total of 50,87,150 equity shares which form 97.44% of the share capital stand dematerialized.

**(xi) Outstanding GDRs/ ADRs/ Warrants/ Convertible instruments**

The Company has not issued Global Depository Receipts or American Depository Receipt or Warrants or any Convertible instruments.

**(xii) Plant Location**

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

**(xiii) Address for Correspondence:**

- (a) For Transfer of physical shares, : Niche Technologies Pvt. Ltd.,  
request for dematerialization of B-511, Bagree Market, 71, R.R.B.  
shares, change of mandates/ Basu Road, Kolkta-700001.  
address or any other query
- (b) For any investor grievance : The Company Secretary  
KG Petrochem Limited  
C-171, Road No. 9J, V.K.I Area,  
Jaipur-302013 (India)

**ANNEXURE-VII**  
**COMPLIANCE CERTIFICATE**

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

We have examined the compliance of conditions of Corporate Governance by K G Petrochem Limited ('the Company'), for the year ended on 31st March, 2018, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Bombay Stock Exchange Limited

We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For ARMS and Associates LLP  
Company Secretaries  
sd/-

(Sandeep Kumar Jain)  
FCS 5398 C.P.No.4151

Place : Jaipur

Date : 14.06.2018