

**24<sup>th</sup>**  
**ANNUAL REPORT**  
**2017-2018**



**KGN**  
**ENTERPRISES LIMITED**

**CIN : L45201MH1994PLC204203**

**KGN ENTERPRISES LIMITED**

**BOARD OF DIRECTORS :**

|                               |                              |                  |
|-------------------------------|------------------------------|------------------|
| Mr. Ismail Memon              | Director                     | (DIN : 00209507) |
| Mr. Babulal Jethalal Hirani   | Chariman & Managing Director | (DIN : 02362983) |
| Mr. Mohsin Ismail Memon       | Director                     | (DIN : 03110860) |
| Mr. Ajazahmad Ansari          | Director                     | (DIN : 06961260) |
| Mr. Aftabahmed Kadri          | Director                     | (DIN : 01738367) |
| Ms. Janki Ranjitsingh Vaghela | Director                     | (DIN : 03050746) |

**CHIEF FINANCIAL OFFICER :**

Mr. Mohsin Ismail Memon

**STATUTORY AUDITORS :**

**M/s. Kamlesh Bhojani & Associates**

Chartered Accounts

FRN:- 127505W, Ahmedabad

**INTERNAL AUDITOR :**

**M/s. Kirit & Co.,**

Chartered Accountants,

Ahmedabad



**REGISTERED OFFICE :**

B-15, Hirnen Shopping Centre co.op.hsg, Society Ltd,

Near City Centre, S.V. Road, Goregaon (West),

Mumbai - 400062.

Tel No. 022-67256547.

E-mail: Info@kgnenterprises.com

**CORPORATE OFFICE :**

A-504, Samudra Complex, Nr.Classic Gold Hotel,

Off. C.G. Road, Navrangpura, Ahmedabad -380009.

Tel No. 079-26562510/11

Info@kgnenterprises.com

**REGISTRAR & SHARE TRANSFER AGENT :**

**PurvaShareregistry (India) Pvt. Ltd,**

9, Shiv Shakti Industrial Estt.,

Behind Creative Ind. Estt.,

Off. N.M. Joshi Marg, Lower Parel (E),

Mumbai, Maharashtra,400011.

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**KGN ENTERPRISES LIMITED**

Regd. Office: B- 15, Hirnen Shopping Centre Co. Op. Hsg. Society Limited, Near City Centre,  
S.V Road, Goregaon (West), Mumbai – 400062.

Tel: +91 – 22-6654 1101

E-mail : info@kgnenterprises.com

Website : www.kgnenterprises.com

CIN : L45201MH1994PLC204203

**NOTICE** is hereby given that **TWENTYFORTH ANNUAL GENERAL MEETING OF KGN ENTERPRISES LIMITED** will be held at YWCA BOMBAY INTERNATIONAL CENTRE 18th MADAME CAMA ROAD, FORT-MUMBAI-400001 ON **SATURDAY, 29TH SEPTEMBER, 2018 AT 3:15 P.M.** TO TRANSACT FOLLOWING BUSINESS:

**ORDINARY BUSINESS**

1. To receive, consider and adopt standalone & consolidated the Audited Balance sheet as on 31st March, 2018 and Profit and Loss Account for the year ended on that date together with the Cashflow Statement alongwith the Directors Report and Auditors Report thereon.
2. To reappoint Mr. ISMAIL MEMON (DIN: 00209507), Director of the Company who retires by rotation and being eligible offers himself for reappointment.
3. To appoint M/s. Kamlesh Bhojani & Associates Chartered Accounts FRN:- 127505W, as the Statutory Auditors of the Company and to authorize the Board to fix their remuneration.

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under, as amended from time to time, the Company hereby appoints M/s. Kamlesh Bhojani & Associates Chartered Accounts FRN:-127505W as Statutory Auditors of the Company to hold office from 24th Annual General Meeting (AGM) till the conclusion of next Annual General Meeting of the Company to be held in the year 2019.”

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to fix the remuneration payable and there imbursement of out-of-pocket expenses, if any, to the said Statutory Auditors.”

By Order of the Directors of the  
**KGN ENTERPRISES LIMITED**

Date : 14/08/2018

Place : Mumbai

**BABULAL HIRANI**  
**MANAGING DIRECTOR**  
**DIN: 02362983**

**NOTES:**

1. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies and that a proxy need not be a member of the company. Proxies in order to be effective must be deposited not less than 48 hours before the commencement of the meeting. A member cannot hold more than 50 proxies. Proxies submitted on behalf of the Companies, Societies, etc., must be supported by an appropriate resolution/authority as applicable.
2. The Register of Members and Share Transfer Books will remain close from 28th September, 2018 to 29th September, 2018 (both days inclusive).
3. Members are requested to intimate about the change in address, if any.
4. Members are requested to bring the copies of the annual report as the same will not be distributed at the annual general meeting.
5. Pursuant to Section 72 of the Companies Act, 2013, Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly.
6. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rules framed there under, Members have been provided with the facility to cast their vote electronically, through the e- voting services provided by the PurvaShare Registry (India) Pvt. Ltd., on all resolutions set forth in this Notice.

Notice of the 24th Annual General Meeting of the Company. Inter alia, indicating the process and manner of e-voting is being sent to all the members whose email Ids are registered with the Company/Depository Participant(s) for communication purpose through electronic mode unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the 24th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent through the permitted mode.

**THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:**

- (i) The voting period begins on 26.09.2018 9.00 AM and ends on 28.09.2018 5.00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21.09.2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting **website [www.evotingindia.com](http://www.evotingindia.com)**.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to **[www.evotingindia.com](http://www.evotingindia.com)** and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

|   | <b>For Members holding shares in Demat Form and Physical Form</b>   |
|---|---|
| <b>PAN</b>  | 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>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul> |
| <b>Dividend Bank Details OR Date of Birth (DOB)</b> | 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 as mentioned in instruction (iv).</li> </ul>               |

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant KGN Enterprise Limited on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xvii) 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.

**(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for all mobile users. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

**(xix) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**.

Company has appointed scrutinizer M/s. Kamlesh M. Shah & Co. Practising Company Secretary.

The brief resume, experience, functional expertise and membership on various Board and committees of the Directors proposed to be appointed as mentioned as item no. 2 of the Notice as per Corporate Governance Code Pursuant to SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings are furnished below:

|  |  |
|--|--|
| Name of the Director   | <b>Mr. ISMAIL MEMON</b>  |
| Father Name  | Mr. GulmohammedMemon   |
| DATE OF BIRTH  | 11/03/1945   |
| Date of Appointment  | 31/07/2010   |
| Qualification  | LLB  |
| Specific functional Areas  | H.S.C  |
| Name of the Companie(s) in which he is a director<br>(Public Limited Companies)                            | 1. KGN BIO-TECH LIMITED<br>2. KGN GREEN LIMITED<br>3. KGN PROTEINS LIMITED<br>4. KGN CAPITAL LIMITED |
| Relationship with Other Director/KMPs  | Mohsin Ismailbhai Memon (Son in law)   |
| Chairman/ Member of the Committee of the Board of Directors of the Company                                 | None   |
| Chairman/ Member of the Committee of Directors of other Public Limited Companies in which he is a Director | None   |
| Shareholding in the Company as on 31 <sup>st</sup> March, 2018   | 200000   |

**For and on behalf of Board of Directors of  
KGN ENTERPRISES LIMITED**

**Date : 14.08.2018**  
**Place : Mumbai**

**BABULAL HIRANI**  
**MANAGING DIRECTOR**  
**(DIN: 02362983)**

ROUTE MAP FOR ANNUAL GENERAL MEETING VENUE





DIRECTORS REPORT

To,  
The members,

Your Directors have the pleasure in presenting the 24rdAnnual Report together with the Audited Statement of Accounts for the year ending on 31stMarch, 2018.

**Financial Results:**

(Amt. in Rupees)

| Particulars                  | Financial Year ended |             |              |             |
|------------------------------|----------------------|-------------|--------------|-------------|
|                              | Standalone           |             | Consolidated |             |
|                              | 2017 - 2018          | 2016 - 2017 | 2017 - 2018  | 2016 - 2017 |
| Revenue from operations      | -                    | -           | -            | -           |
| Other Income                 | 12,69,632            | 1,100,347   | 13,58,904    | 1,185,930   |
| Total revenue                | 12,69,632            | 1,100,347   | 13,58,904    | 1185930     |
| Expenditure :                |                      |             |              |             |
| - Employee benefits expenses | 4,16,995             | 247,266     | 4,16,995     | 247,266     |
| - Other expenses             | 4,12,925             | 491,174     | 4,65,962     | 543,367     |
| Total expenses               | 8,29,920             | 738,440     | 8,82,957     | 790,633     |
| Profit before tax            | 4,39,712             | 361,907     | 4,75,947     | 395,297     |
| Tax expense :                |                      |             |              |             |
| - Current Tax                | 1,35,870             | 72,066      | 1,47,067     | 82,384      |
| - Provision for Income Tax   |                      | -           |              | -           |
| Net profit for theyear       | 3,03,842             | 289,841     | 3,28,880     | 312,913     |

**APPROPRIATIONS:**

The Opening Balance of Surplus of Profit and Loss shown under the head Reserves and Surplus was Rs. 50,234,299. During the year under the review, the profit of Rs. 303842 was also added. The Closing Balance of Surplus of the Profit and Loss shown under the head reserves and Surplus was Rs50,538,141.

**OPERATIONS:**

During the year under the review there was increased in total income of 13.33% in comparison to the previous year. The total expenses have increased by 11.02 % and the net profit after tax has increased by 4.61%.

**DIVIDEND:**

As Company has inadequate Profit, your directors do not propose any dividend for the current year to conserve the resources.

**DETAILS OF DIRECTORS / KEY MANAGERIAL PERSONNEL APPOINTED / RESIGNED:**

**i. Retirement by Rotation:**

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Mr. ISMAIL MEMON (DIN: 00209507), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your directors recommend his re-appointment.

**ii. Cessation:**

There is cessation of any director during the year.

1. Ms.Sakina Aiyaz Pimpalnerwala, Company Secretary cum Compliance Officer

**iii. Appointment of Additional / Independent Women Director:**

There is no appointment of any director during the year under review.

**iv. Key Managerial Personnel:**

The following persons are designated as Key Managerial Personnel:

1. Mr. Babulal Hirani, Managing Director
2. Mr. Mohsin Ismailbhai Memon, Chief Financial Officer



**DETAILS OF HOLDING / SUBSIDIARY COMPANIES / JOINT VENTURES / ASSOCIATE COMPANIES:**

Your Company has Four wholly owned Subsidiary Companies i.e. KGN Bio Tech Limited, KGN Green Limited, KGN Proteins Limited, KGN Oil & Gas Private Limited.

In terms of the Provisions contained in Section 129(3) of the Companies Act, 2013, Read with rule 5 of the Companies (Accounts) Rules, 2014, a report on the performance and the financial of each of the subsidiaries is provided as **Annexure A i.e.' AOC-1'** to this Report.

**DEPOSITS:**

The Company has not invited/ accepted any deposit, other than the exempted deposit as prescribed under the provision of the Companies Act, 2013 and the rules framed there under, as amended from time to time. Hence there are no particulars to report about the deposit falling under Rule 8 (5) (v) and (vi) of Companies (Accounts) Rules, 2014.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS:**

During the year under review there **were no** significant and material orders passed by any Regulators or Court or Tribunals which may have impact on the going concern status. Neither there are any orders passed which may have impact on the Company's operation in future.

**INTERNAL FINANCIAL CONTROLS:**

Your Company has well laid out policies on financial reporting, adherence to Management policies and also on promoting compliance of ethical and well defined standards. Moreover, the management team regularly meets to monitor goals and results and scrutinizes reasons for deviations in order to take necessary corrective steps. The Audit Committee which meets at regular intervals also reviews the internal control systems with the Management and the internal auditors. All audit observations and follow up actions are discussed with the Management as also the Statutory Auditors and the Audit Committee reviews them regularly.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Pursuant to Rule 8 (3) of Companies (Accounts) Rules, 2014, the Board of Directors hereby declares that there are no particulars to report for the Conservation of Energy & Technology Absorption. There is no foreign exchange earnings and outgo during the year under the review.

**ENVIRONMENTAL PROTECTION:**

Your Company is engaged in the manufacturing activities for which Company has taken approval of Gujarat Pollution Control Board and the directors inform with regret that there were no manufacturing activities during the financial year 2017-18.

**PERSONNEL:**

There was no employee drawing remuneration requiring disclosure under the Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**DISCLOSURE UNDER SECTION 197(12) AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

There was no employee drawing remuneration requiring disclosure under section 197(12) and Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Required details are annexed to this Report as **Annexure B**.

**VIGIL MECHANISM:**

Pursuant to Section 177(9) of the Companies Act, 2013, the company has a Whistle Blower Policy to deal with any instance of fraud and mismanagement. The employees of the company are free to report violations of any laws, rules, regulations and concerns about unethical conduct to the Audit Committee under this policy. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination with any person for a genuinely raised concern.

**AUDIT COMMITTEE:**

The Audit Committee of the Board of Directors of the Company presently consists of three Directors viz. Mr. Aftabahmed Kadri, Mr. Ajazahmed Ansari and Ms. Janki Vaghela. All members of the Audit Committee are non-executive Directors. Mr. Aftabahmed Kadri, is the Chairman of the Audit Committee.

During the Year under review, total four Meetings of the Board of Directors of the Company were held.

The Composition and the Terms of Reference of the Audit Committee is as mentioned in the provisions of Section 177 of the Companies Act, 2013 and SEBI Listing Regulations with the Stock exchanges as amended from time to time. The Statutory Auditor, Internal Auditor and Chief Finance Officer usually attend the Meeting of the Audit Committee

**AUDITORS:**

**i. STATUTORY AUDITORS AND THEIR REPORT**

Under Section 139 of the Companies Act, 2013 and Rules made thereunder, it is mandatory to rotate the Statutory Auditors on completion of the maximum term permitted under the said Section. The audit committee of the Company has proposed, the Board of Directors of the Company have recommended the appointment of M/s. Kamlesh Bhojani & Associates Chartered Accounts FRN:- 127505 Was the Statutory Auditors of the Company. M/s. Kamlesh Bhojani & Associates Chartered Accounts FRN:- 127505W will hold the office from 24<sup>th</sup> Annual General Meeting till the conclusion of next Annual General Meeting of the Company to be held in the year 2019, subject to the approval of Shareholders of the Company. The first year of audit will be of the Financial Statement for the year ended 31st March, 2019 which will include the audit of quarterly financial statement for the year. In this regard, the Company has received a Certificate from the said Auditor to the effect that if their appointment will be made, it would be in accordance with the provisions of Section 141 of Companies Act, 2013.

The observations made in their report and dealt with in the notes forming part of the Accounts at appropriate places are self-explanatory.

**ii. INTERNAL AUDITORS**

M/s. Kirit & Co. FRN 132282W., Chartered Accountants, is Internal Auditors of the Company. The Audit Committee of the Board of Directors in consultation with the Internal Auditor formulates the scope, functioning periodicity and methodology for conducting the internal audit.

**iii. SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT**

The Board of Directors of the Company has, in compliance with the provisions of Section 304(1) of the Companies Act, 2013 and rules made in this behalf, appointed M/s. K. JATIN & CO., Practicing Company Secretaries to carry out Secretarial Audit of the Company for the financial year 2017-18. The Report of the Secretarial Auditor is annexed to this Report as **Annexure C** which is self explanatory and gives complete information.

**LISTING:**

The shares of the company are listed at BSE Limited and Metropolitan Stock Exchange of India Limited. Listing fees of BSE Limited is paid for the year 2016 – 2017 and the Company is in process to pay the listing of Metropolitan Stock Exchange of India Limited.

**DIRECTORS RESPONSIBLITY STATEMENT:**

As required under the provisions of Section 134 of the Act, your Directors report that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) The Directors 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 affairs of the Company at the end of the financial year and of the profits of the Company for that period.
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The Directors have prepared the annual accounts on a going concern basis.
- (e) The Directors have laid down internal financial controls as required by Explanation to Section 134(5) (e) of the Act to be followed by the Company and such internal financial controls are adequate and are operating effectively.
- (f) The Directors have devised proper systems to ensure compliance with the provisions of applicable laws and such systems are adequate and operating effectively.

**RELATED PARTY TRANSACTIONS:**

During the year under review the Company has entered into the transactions with the related parties, the details of each are provided in point No. 28 under the head notes on Financial Statements.

**PARTICULARS OF LOANS / GUARANTEES / INVESTMENT:**

The Particulars of loans, guarantee or investment made under Section 186 of the Companies Act, 2013 are furnished in the Notes to the Financial Statements for the year ended 31st March 2018.

**INVESTMENT IN UNQUOTED SHARES:**

The Company has made investment in unquoted shares, which is as under:

- |                           |              |
|---------------------------|--------------|
| 1. KGN Bio- Tech Ltd      | 50000 Shares |
| 2. KGN Green Ltd          | 50000 Shares |
| 3. KGN Oil & Gas Pvt. Ltd | 10000 Shares |
| 4. KGN Proteins Ltd       | 50000 Shares |

**RISK MANAGEMENT POLICY:**

The Company has a structured risk management policy. The Risk management process is designed to safeguard the organisation from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventorised and integrated with the management process such that they receive the necessary consideration during decision making.

**STATEMENT OF INDEPENDENT DIRECTORS:**

The following Directors are independent in terms of Section 149(6) of the Act:

- (a) Mr. Ajazahmed Ansari
- (b) Mr. Aftabahmed Kadri
- (c) Ms. Janki Ranjitsingh Vaghela

The Company has received requisite declarations/ confirmations from all the above Directors confirming their independence.

**EXTRACT OF THE ANNUAL RETURN:**

Pursuant to provision of Section 92 and 134 and other applicable provision of the Companies Act, 2013 and of Rule 12 (1) of Companies (Management and Administration) Rules, 2014 the extract of the annual return in form MGT 9 for the Financial Year ended on 31st March, 2017 is annexed as **Annexure D** to this Report.

**NUMBER OF BOARD MEETINGS:**

Total 6 Board Meetings were held during the Financial Year 2017-18 on 30th May, 2017, 14th August, 2017, 29th August, 2017, 13th November, 2017, 19<sup>TH</sup> January, 2018 and 14th February, 2018 and the gap between two meetings did not exceed one hundred and twentydays.

**CORPORATE SOCIAL RESPONSIBILITY:**

The Provision of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility is not applicable to the company.

**ANNUAL PERFORMANCE EVALUATION:**

In compliance with the provisions of the Act and voluntarily SEBI Listing Regulations, the performance evaluation was carried out as under:

**Board:**

In accordance with the criteria suggested by The Nomination and Remuneration Committee, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes, Board dynamics etc. The Independent Directors, at their separate meetings, also evaluated the performance of the Board as a whole based on various criteria. The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory.

**Committees of the Board:**

The performance of the Audit Committee, the Nomination and Remuneration Committee and Stakeholders Relationship Committee was evaluated by the Board having regard to various criteria such as committee composition, committee, processes, committee dynamics etc. The Board was of the unanimous view that all the committees were performing their functions satisfactorily and according to the mandate prescribed by the Board under the regulatory requirements including the provisions of the Act, the Rules framed thereunder and SEBI Listing Regulations.

**Individual Directors:**

- (a) **Independent Directors:** In accordance with the criteria suggested by The Nomination and Remuneration Committee, the performance of each independent director was evaluated by the entire Board of Directors (excluding the director being evaluated) on various parameters like engagement, leadership, analysis, decision making, communication, governance and interest of stakeholders. The Board was of the unanimous view that each independent director

was a reputed professional and brought his/her rich experience to the deliberations of the Board. The Board also appreciated the contribution made by all the independent directors in guiding the management in achieving higher growth and concluded that continuance of each independent director on the Board will be in the interest of the Company.

- (b) **Non-Independent Directors:** The performance of each of the non-independent directors (including the chair person) was evaluated by the Independent Directors at their separate meeting. Further, their performance was also evaluated by the Board of Directors. The various criteria considered for the purpose of evaluation included leadership, engagement, transparency, analysis, decision making, functional knowledge, governance and interest of stakeholders. The Independent Directors and the Board were of the unanimous view that each of the non-independent directors was providing good business and people leadership.

**SEXUAL HARASSMENT:**

The Company has an Internal Complaint Committee as required under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. During the year under review, no complaints were reported.

**POLICIES:**

The Company has adopted the following policies pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year under review:

- a. Policy on preservation of the Documents
- b. Policy on criteria for determining Materiality of Events
- c. Whistle Blower Policy
- d. Policy on dealing with related party transactions
- e. Policy for determining material subsidiaries

The details of the above mentioned policies are provided in the website of the Company i.e. [www.kgnenterprises.com](http://www.kgnenterprises.com).

**APPRECIATION:**

Your Directors wish to convey their thanks to all the bankers, suppliers, customers, shareholders and other persons for their continued support to the company.

**For and on behalf of Board of Directors of  
KGN ENTERPRISES LIMITED**

**Date : 14.08.2018  
Place : Mumbai**

**BABULAL HIRANI  
MANAGING DIRECTOR  
DIN: 02362983**

**FORM AOC- 1**

**(Pursuant to first proviso to sub- section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

**Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures :**

**Part "A" : Subsidiaries**

**(Amt. in Rs.)**

| <b>S. N.</b> | <b>Particulars</b>              | <b>KGN Bio Tech Limited</b> | <b>KGN Green Limited</b> | <b>KGN Proteins Limited</b> | <b>KGN Oil &amp; Gas Private Limited</b> |
|--------------|---------------------------------|-----------------------------|--------------------------|-----------------------------|--|
| 1.           | Reporting period                | April - March               | April - March            | April - March               | April-March                              |
| 2.           | Reporting Currency              | INR                         | INR                      | INR                         | INR                                      |
| 3.           | Share Capital                   | 500,000                     | 500,000                  | 500,000                     | 100,000                                  |
| 4.           | Reserves & Surplus              | 192,544                     | 114,758                  | 121,574                     | 110,064                                  |
| 5.           | Total Assets                    | 60,196,400                  | 747,871                  | 878,865                     | 23,478,091                               |
| 6.           | Total Liabilities               | 59,503,856                  | 133,113                  | 257,291                     | 23,268,026                               |
| 7.           | Investments                     | -                           | -                        | -                           | -  |
| 8.           | Turnover (Total Revenue)        | 20,450                      | 13,983                   | 25,480                      | 29,359                                   |
| 9.           | Profit / (Loss) Before Taxation | 10,484                      | 10,102                   | 9,153                       | 6,495                                    |
| 10.          | Provision For Taxation          | 3,240                       | 3,112                    | 2,828                       | 2,007                                    |
| 11.          | Profit / (Loss) After Taxation  | 7,244                       | 6,980                    | 6,325                       | 4,488                                    |
| 12.          | Proposed Dividend               | -                           | -                        | -                           | -  |
| 13.          | % of Share holding              | 100.00%                     | 100.00%                  | 100.00%                     | 100.00%                                  |

**Notes:** There were no subsidiaries liquidated during the financial year 2017-18.

**Disclosure under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) rules 2014**

(i) the ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year 2015-16:

During the period no remuneration was paid to any Director, hence ratio of remuneration stands at 0 (zero)

(ii) the percentage increase in remuneration of each director CFO, CEO, Company Secretary or Manager, if any, in the financial year 2016-17:

|                             |                              |     |
|-----------------------------|------------------------------|-----|
| Mr. Mohsin Ismail Memon     | CFO                          | Nil |
| Mr. Babulal Jethalal Hirani | Chairman & Managing director | Nil |

(iii) **Market Capitalisation :**

| Date                 | Issued Shares | Closing Market Price per share(Rs) | EPS (Rs.) | PE Ratio | Market Capitalisation (Rs. In Cr.) |
|----------------------|---------------|------------------------------------|-----------|----------|------------------------------------|
| 31.03.2017           | 2,04,70,000   | 5.00                               | 0.01      | 500      | 10.24                              |
| 31.03.2018           | 2,04,70,000   | 5.84                               | 0.01      | 584      | 11.95                              |
| Increase/(Decrease)  | Nil           | 0.84                               | -         | 84       | 1.71                               |
| Increase/(Decrease)% | Nil           | 16.8%                              | -         | 16.8%    | 16.7%                              |

The company came out with the IPO at a price of Rs. 10/- per share. The market price of the share as on 31st March, 2018 was Rs. 5/- on BSE Limited.

**For and on behalf of Board of Directors of  
KGN ENTERPRISES LIMITED**

**Date : 14.08.2018**  
**Place : Mumbai**

**BABULAL HIRANI**  
**MANAGING DIRECTOR**  
**DIN: 02362983**



Form No. MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
**KGN ENTERPRISES LIMITED**

I/we have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices followed by **KGN ENTERPRISES LIMITED** (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 on that basis;we are expressing our opinion thereon.

Based on my/our verification of the records of **KGN ENTERPRISES LIMITED**, 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, I/We hereby report that in my/our opinion, the company has, during the audit period covering **the financial year ended on 31<sup>st</sup> March 2018** complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliances mechanism in place to the extent , in the manner and subject to the reporting made hereinafter:

I/We have examined the books, papers, minute books, forms and returns filed and record maintained by **KGN ENTERPRISES LIMITED (CIN: L45201MH1994PLC204203)** for the financial year ended on **31.03.2018** according to the provisions of:

- (i) The Companies Act, 2013(the Act) and the rules made there under; **Company has not Appointed chief Financial Officer.**
- (ii) The Securities Contracts (Regulations) 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 regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:**(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**
- (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 Takeover) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Training)Regulations,1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(NO ESOS OR ESOPS WERE ISSUED DURING THE YEAR UNDER REVIEW)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;**(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.



- (g) The Securities and Exchange Board of India(Delisting of Equity Shares)Regulations, 2009; **NOT APPLICABLE FOR THE YEAR**
- (h) The Securities and Exchange Board of India (Buyback of Securities)Regulations, 1998; **(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**
- (vi) As stated in the **Annexure – A** – all the laws, rules, regulations are applicable specifically to the company.
- (vii) No Other Observations regarding other major corporate events occurred during the year and various compliances made by the Company with applicable Laws, Rules, Regulations, Listing Agreements etc.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and applicable w.e.f 1<sup>st</sup> day of July 2015 are adopted by the Company by passing requisite Board Resolutions and are complied with.
- (ii) The Listing Agreements not entered into by the Company with BSE Limited.

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

**I/We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non -Executives Directors, Independent Directors and Woman Director**Except the company has not complied with SEBI (LODR),2015 and Company has not appointed Chief Financial Officer pursuant to Companies Act,2013.**

There wereno changes in the composition of the Board of Directors during the year.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification 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 and recorded as part of the minutes.

**I/We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

**I/We further report that** during the audit period the company has not made any

- (I) Public/ Right/Preferential issue of shares/ debentures/sweat equity, etc.
- (II) Redemption/ buy-back of securities
- (III) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (IV) Foreign technical collaborations

**Place : Ahmedabad  
Date : 26<sup>th</sup> May,2018**

**FOR K. JATIN & CO.,  
PRACTICING COMPANY SECRETARIES**

**(JATIN KAPADIA)  
PROPRIETOR  
ACS: 26725, COP: 12043**

ANNEXURE-A

**Securities Laws**

1. All Price Sensitive Information was informed to the stock exchanges.
2. All investors complain directly received by the RTA& Company is recorded on the same date of receipts and all are resolved.

**Labour Laws**

1. All the premises and establishments have been registered with the appropriate authorities.
2. The Company has not employed any child labour/ Bonded labour in any of its establishments.
3. Provisions with relate to compliances of PF/ESI/Gratuity Act are applicable to Company but not complied with it.

**Environmental Laws**

1. As the company is not engaged in the manufacturing activities, so the Environmental law is not applicable to the Company.

**Taxation Laws**

1. The company follows all the provisions of the taxation and Income Tax Act, 1961 and filing the returns with Income tax department and all other necessary departments.

Place : Ahmedabad  
Date : 26<sup>th</sup> May,2018

FOR K. JATIN & CO.,  
PRACTICING COMPANY SECRETARIES



(JATIN KAPADIA)  
PROPRIETOR  
ACS: 26725, COP: 12043

**MANAGEMENT DISCUSSION ANALYSIS REPORT****GLOBAL OVERVIEW :**

Castor oil is a vegetable oil obtained by pressing the seeds of the castor oil plant. Castor oil is one of the most multipurpose plant oils, obtained by pressing the seed of the castor oil plant (*Ricinus communis*). It is a well-known source of a monounsaturated, ricinoleic and 18-carbon fatty acid. Owing to its unique chemical structure and rich properties, castor oil and its derivatives find uses in many industries such as cosmetics, food, lubricants, paints, agriculture, electronics & telecommunications, pharmaceuticals, perfumeries, plastics and rubber, inks & adhesives and textile chemicals. After plant oil, castor oil is considered as the most required oil. However, growing concerns pertaining to bio fuels specially bio diesel and bio polymer across the globe is pushing castor oil to play a much larger role in the world economy.

India, being the single largest producer of castor seed in the world, is likely to witness a decline in the crop output after the farmers shifted to other remunerative crops during the kharif of 2017. The total castor acreage fell by more than 24% in 2017-18 in comparison to that of the previous year. In Gujarat, the largest producer of castor seed, a drop of over 27% was recorded in the acreage with merely 5.65 Lakh hectares being sown.

The castor oil imports by China continue to edge higher. In 2017, the net volume of imports rose by 13% in comparison to the previous year. The year 2016 witnessed a rise of over 31% in the volume of imports, after a drop of 25% during the previous year. Overall, the import is likely to upscale in the days to come, considering the growth of the economy and the demand from the processing industries.

**INDUSTRY OVERVIEW:**

Growth of major end-use industries (includes lubricants, cosmetics and pharmaceuticals) and increasing demand for sustainable products & biodegradable, on account of reducing dependence on petrochemicals is anticipated to fuel the demand for castor oil derivatives market. Also regulatory support and rising prices of alternative renewable chemicals is expected to drive the global castor oil derivatives market. However, factors influencing its manufacturing cost include raw material availability, weather uncertainties, shortage of working capital, techniques & methods used for extraction and availability of substitute oil are resulting in restraints for the castor oil derivative market.

However, factors influencing its manufacturing cost include raw material availability, weather uncertainties, shortage of working capital, techniques & methods used for extraction and availability of substitute oil are resulting in restraints for the castor oil derivative market. Yield of the crops depends highly on the climatic condition and the harvesting process take more than six months, resulting in uncertain supply of the crops.

**CURRENT BUSINESS REVIEW:**

KGN Enterprises Limited is listed on BSE Limited and Metropolitan Stock Exchange of India Limited. The Company is an agro based industry catering to increasing demand of castor oil & its derivatives in national as well as international market. The plant is well equipped with all novel and sophisticated equipments and infrastructure supported by a team of technical experts. The company has enough infrastructure facilities like, silos, crushing plant, refinery, huge interim & final storage capacity, own laboratory for research & development, Weigh Bridge which strengthens the company to work at an optimum level.

**FUTURE OUTLOOK :**

The long term demand outlook for your Company's products remains positive. With the price of castor oil falling and the crude oil prices improving the near term prospects look better than the previous year. Emphasis on green co-friendly products is likely to lead to increase in innovation of new products and uses of castor oil by the chemical industry.

The Company is regularly doing research and analysis for better quality control and cost effective solutions.

**OPPORTUNITIES THREATS RISKS AND CONCERNS:**

- Environment being a major concern, these arch for green products is likely to intensify in the future.
- Castor Oil being a natural, organic, renewable and bio-degradable product is gaining importance as a green product. With improved irrigation, better quality in puts and scientific farming there is a substantial scope to improve yields per hectare of castors seeds.
- Besides due to its unique chemical structure, it finds myriad applications in virtually every industry be it agriculture, lubricants, paints, inks, surface coatings, pharmaceuticals, food, engineering plastics, cosmetics, perfumeries, electrical, rubber and soon.
- Your company continues to endeavor to tap these opportunities by focusing on Research & Development and investing in new capacities, new technologies, new applications, and new products.

- Castor Seeds continue to beavolatile raw material in terms of its price.
- Being an agricultural product, it depends on the rainfall and weather conditions prevailing in the area of castor growing States in the country, though it is a sturdy crop. The limited size of the crop makes it susceptible to speculation and wild gyration inprices.
- To mitigate the effect of uncertain weather, the Company has laid down parameters for inventory management. The Company has proper mechanism in place to immediately respond to any unfore seen eventuality.
- Castor oil and its derivatives have applications in the manufacturing of soaps, lubricants, hydraulic and brake fluids, paints, dyes, coatings, inks, cold resistant plastics, waxes and polishes, nylon, pharmaceuticals and perfumes. So there are tremendous opportunities in this sector.
- Much higher thrust on research & development is required for proper quality control.
- Foreign exchange fluctuation and volatility in prices can affect the margin of export.
- Castor seed is a seasonal product for which cycle usually starts from January to June, stock of the same if not maintained in other 6 months can affectthe company.
- Availability of castor seeds depends on the weather condition in the area of castor growing states in thecountry.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES:**

Company is in planning to appoint more qualified and experienced employees to upgrade the quality and overall performance of the Company.

**RISKS & CONCERNS:**

The Company's products are used across geographies in a variety of industries, thereby to a great extent, mitigating the risks associated with demand for its products on a long-term basis.

**PROOF:**

The price behavior of raw material depends on the weather pattern in the castor growing regions, monsoon in these regions, global demand and inventory, and prices of other oils, agricultural products and including Crude Oil and therefore can be volatile as well as unpredictable.

The Company is closely watching the development of factors affecting the castor seed prices. The Company restricts its exposure to the price fluctuation of raw materials by limiting its unhedged exposure.

With the business of the Company growing steadily and demand for trained and experienced manpower in excess of the supply, the risk of managing the people is very big. The Company has to retain its existing trained workforce and also attract new talent for its different operations. To improve the performance of the staff at work; various refresher training courses are organized to update their knowledge with the latest technologies and management ideas.

**CAUTIONARY STATEMENT:**

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable laws or regulations. These statements are based on certain assumptions and reasonable expectation of future events. Actual results could, however differ materially from those expressed or implied. Important factors that could make a difference to the Company's Operations include global and domestic demand – supply condition, finished goods prices, raw materials cost & availability, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company should and need not be held responsible, if, which is not unlikely, the future turns out to be something quite different. Subject to this management disclaimer, this discussion and analysis should be pursued.

**By Order of the Directors of the  
KGN ENTERPRISES LIMITED**

**Date: 26/05/2018  
Place: Mumbai**

**BABULAL HIRANI  
MANAGING DIRECTOR  
DIN: 02362983**

**REPORT ON CORPORATE GOVERNANCE**

The Equity shares of the Company are listed on the BSE Limited and Metropolitan Stock Exchange of India Limited. In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 49 of the erstwhile Listing Agreement with the Stock Exchanges., the report containing the details of corporate governance systems and processes at KGN ENTERPRISES LIMITED are as under:

**1. CORPORATE GOVERNANCE PHILOSOPHY :**

Corporate Governance in simple words means the way a corporation is governed. Corporate Governance refers to mechanisms, processes and relations by which corporations are controlled and directed. Corporate Governance is a systematic process driven by the ethical conduct of the business and affairs of an organisation aimed at promoting sustainable business and enhancing shareholders value in long term.

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

We believe that retaining and enhancing stakeholder trust is essential for sustained corporate growth. Accordingly, we always seek to ensure that we attain our performance with integrity and the Board exercises its fiduciary responsibilities in the widest sense of the term. We always endeavor to enhance long –term Shareholder value and respect minority rights in all our business decisions.

Your Company is in compliance with the requirements of Corporate Governance stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 49 of the erstwhile Listing Agreement with the Stock Exchanges.

**2. BOARD OF DIRECTORS :**

**a) Composition and Category of Directors :**

The Company has Non-executive Chairman. As on 31st March, 2018 there were 6 Directors on its Board. The number of Non-Executive Directors is one-half of the total number of directors. The Company has 1 woman Director. None of the Directors on the Board is a Member of more than 10 Committees or a Chairman on more than 5 Committees, across all companies in which he is a Director, including KGN Enterprises Limited.

| Name  | Category                  | No. of Directorship in other public Companies* as on 31.03.2018 | No. of Committee Positions held in Other public Companies* as on 31.03.2018 |        |
|---|---------------------------|---|---|--------|
|   |                           |   | Chairman  | Member |
| Mr. Ismail Memon  | Director                  | 8   | 0   | 0      |
| Mr. Babulal J. Hirani<br>(Chairman & Managing Director) | Professional Executive    | 5   | 0   | 0      |
| Mr. Mohsin Ismail Memon                                 | Non- Executive            | 7   | 0   | 0      |
| Mr. Aftabahmed Kadri                                    | Independent Non Executive | 1   | 0   | 3      |
| Mr. Ajazahmed Ansari                                    | Independent Non Executive | 1   | 3   | 0      |
| Mrs. Janki Ranjitsingh Vaghela                          | Independent Non Executive | 1   | -   | 2      |

\* Directorships held by the Director as mentioned above; exclude Directorship held in private companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.

**b) Attendance of Directors at the Board Meetings and Last AGM :**

Total 6 Board Meetings were held during the Financial Year 2017-18 on 30th May, 2017, 14<sup>th</sup> August, 2017, 29<sup>th</sup> August, 2017, 13<sup>th</sup> November, 2017, 19<sup>th</sup> January, 2018 and 14<sup>th</sup> February, 2018 and the gap between two meetings did not exceed one hundred and twenty days. Last AGM was on 26<sup>th</sup> September, 2017.

| Name of Director             | Number of Board Meetings held and attended FY 2017-18 |          | Attended Last AGM |
|------------------------------|---|----------|-------------------|
|                              | Held during the tenure                                | Attended |                   |
| Mr. Ismail Memon (Chairman)  | 6   | 6        | Yes               |
| Mr. Babulal J. Hirani        | 6   | 6        | Yes               |
| Mr. Mohsin Ismail Memon      | 6   | 6        | Yes               |
| Mr. Aftabahmed Kadri         | 6   | 6        | Yes               |
| Mr. Ajazahmed Ansari         | 6   | 6        | Yes               |
| Mrs. JankiRanjitsinghVaghela | 6   | 6        | Yes               |

**Details of Director seeking re-appointment :**

The brief resume, experience, functional expertise and membership on various Board and committees of the Directors proposed to be appointed as mentioned as item no. 2 of the Notice as per Corporate Governance Code Pursuant to SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings are furnished below:

|   |  |
|---|--|
| Name of the Director  | Mr. Babulal Jethalal Hirani  |
| Father Name   | Mr. Jethalal Jivabhai Hirani   |
| Date of Birth   | 23/11/1945   |
| Date of Appointment   | 24/12/2008   |
| Qualification   | B.A  |
| Specific functional Areas   | Banking Sector   |
| Name of the Company(ies) in which he is a director (Public Limited Companies)                             | 1) KGN INDUSTRIES LIMITED<br>2) KGN PROJECTS LIMITED<br>3) KGN BIO-TECH LIMITED<br>4) KGN GREEN LIMITED<br>5) KGN PROTEINS LIMITED |
| Relationship with Other Director/KMPs   | None   |
| Chairman/ Member of the Committee of the Board of Directors of the Company                                | None   |
| Chairman/Member of the Committee of Directors of other Public Limited Companies in which he is a Director | None   |
| Shareholding in the Company as on 31st March, 2017  | Nil  |

**3. COMMITTEES OF THE BOARD:**

As on date the Board has established the following Committees:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders' Relationship Committee

**AUDIT COMMITTEE:**

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company.

Your Company has a qualified and Independent Audit Committee set up by the Board in compliance with the requirements of Regulation 18 of SEBI Listing Regulations read with Section 177 of the Act.

**a. Composition of Committee:**

The composition of the Audit Committee during the Financial Year ended 31st March, 2018 is as under:

| Directors                       | Category                  |
|---------------------------------|---------------------------|
| Mr. Aftabahmed Kadri (Chairman) | Independent Non-executive |
| Mr. Ajazahmed Ansari            | Independent Non-executive |
| Ms. Janki Ranjitsingh Vaghela   | Independent Non-executive |



**b. Terms of reference:**

The Audit Committee functions according to its Charter that defines its composition, authority, responsibilities and reporting functions. The terms of reference of the Audit Committee, inter alia, are as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Reviewing with the management the quarterly / annual unaudited / audited financial statements and Limited Review Report / Audit Report of Statutory Auditor before recommending it for approval of the Board of Directors,
3. Reviewing changes in the accounting policies, major accounting estimates based on exercise of judgement by the management, significant adjustments made in the financial statements, etc.,
4. Review of the Management Discussion & Analysis of financial and operational performances,
5. Review of inter corporate loans and advances,
6. Review the adequacy and effectiveness of the internal financial controls and systems
7. Review and discuss with the management the major financial risk exposures and steps taken to monitor and control it,
8. Overseeing and review the functioning of vigil mechanism [implemented by the Company as Whistle Blower Policy,
9. Review the scope of Internal Auditor and Audit Plan to ensure reasonable coverage of difference areas of operations,
10. Review, discuss and monitor the observations reported by Statutory / Internal Auditor and its compliance,
11. Review and recommend to the Board the appointment / reappointment of the Statutory Auditor and Cost Auditor after due consideration of their independence and effectiveness,
12. Approving the payment towards additional services rendered by the Statutory Auditor except those enumerated in section 144 of the Act,
13. Recommending to the Board the remuneration of Statutory and Cost Auditor,
14. Approval of appointment, removal and terms of remuneration of Internal Auditor and
15. Approval of Related Party Transactions and granting omnibus approvals for certain related party transactions, which are in the ordinary course of business and at arm's length basis.
16. And, generally, all items listed in Part C to Regulation 18 of SEBI Listing Regulations and in Section 177 of the Act.

**Review of Information by Audit Committee :**

The Audit Committee has reviewed and satisfied that the Company's internal audit function adequately resourced and has appropriate standing within the Company. Audit Committee has also reviewed:

1. Management discussion and analysis of financial condition and result of operations.
2. Statement of significant related party transaction submitted by management;
3. Internal audit reports relating to internal control weakness.

**c. MEETINGS AND ATTENDANCE DURING THE YEAR:**

Four Meetings of Audit Committee were held during financial year 2017-18 on 30th May, 2017, 13TH JUNE, 2017, 13th November, 2017 and 14th February, 2018 and all members were present at the meetings.

**4. NOMINATION REMUNERATION AND COMPENSATION COMMITTEE:**

The constitution and terms of reference of Nomination and Remuneration Committee of the Company are in compliance with provisions of Companies Act, 2013 and the SEBI Listing Regulations.



**A. Composition of Committee:**

The composition of Nomination and Remuneration Committee during the Financial Year ended 31st March, 2018 is as under:

| <b>Directors</b>                | <b>Category</b>           |
|---------------------------------|---------------------------|
| Mr. Ajazahmed Ansari (Chairman) | Independent Non-executive |
| Mr. Aftabahmed Kadri            | Independent Non-executive |
| Ms. Janki Ranjitsingh Vaghela   | Independent Non-executive |

**B. Terms of reference:**

The terms of reference of Nomination and Remuneration Committee inter alia, includes the following:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a Director,
2. To recommend to the Board a policy relating to remuneration of the Directors, Key Managerial Personnel and other employees,
3. To formulate criteria for evaluation of Independent Directors and the Board,
4. To devise a policy on board diversity,
5. To review the succession planning of the Board of Directors and Senior Management Employees and
6. To review the performance of the Board of Directors and Senior Management Personnel based on the criteria decided by the Committee.

**C. MEETINGS AND ATTENDANCE DURING THE YEAR:**

One Meeting of Nomination and Remuneration Committee was held during financial year 2017-18 on 13th JUNE, 2017 and all members were present at the meeting.

**D. Remuneration of Directors:**

There was no remuneration paid to the Directors during the year 2017-18

**5. STAKEHOLDER RELATIONSHIP COMMITTEE:**

The constitution and terms of reference of Stakeholders' Relationship Committee of the Company are in compliance with provisions of Companies Act, 2013 and the SEBI Listing Regulations.

**A. Composition of Committee:**

The composition of Stakeholders' Relationship Committee during the Financial Year ended 31st March, 2018 is as under:

| <b>Directors</b>                | <b>Category</b>           |
|---------------------------------|---------------------------|
| Mr. Ajazahmed Ansari (Chairman) | Independent Non-executive |
| Mr. Aftabahmed Kadri            | Independent Non-executive |

**B. Terms of reference:**

The Committee administers the following activities:

- Transfer of shares
- Transmission of shares
- Issue of duplicate share certificates
- Change of status
- Change of Name
- Transposition of shares
- Sub-division of shares
- Consolidation of folios
- Shareholders requests for dematerialization / rematerialisation of shares
- Functions of the Registrar and Share Transfer Agent

**C. MEETINGS AND ATTENDANCE DURING THE YEAR:**

Four Meetings of Audit Committee were held during financial year 2017-18 on 30th May, 2017, 13TH JUNE, 2017, 13th November, 2017 and 14th February, 2018 and all members were present at the meetings

**D. Name & designation of the Compliance Officer:**

Mr. BABULAL JETHALAL HIRANI is the compliance officer for KGN Enterprises Limited.

The Stakeholder Relationship Committee meets periodically to approve all the cases of shares demated, transfer, and issue of duplicate share certificates and resolution of investors' complaints, submission of information to various statutory authorities like NSDL/CDSL, SEBI, Stock Exchanges, and Registrar of Companies periodically and from time to time. Other functions, roles, duties, powers etc. have been clearly defined in line with the provisions of Companies Act, 2013 and the SEBI Listing Regulations and are kept flexible for modification by the Board from time to time.

The total number of complaints received and resolved to the satisfaction of the investors during the year under review is as follows:

No. of complaints received : One

No. of complaints resolved : One

No. of complaints pending : Nil

**7. ANNUAL GENERAL MEETINGS:**

**a) Details of General Meetings held in last 3 years :**

| <b>Financial Year</b> | <b>Location</b>  | <b>Date</b>                | <b>Day</b> | <b>Time</b>   | <b>Type of Meeting</b> | <b>Special Resolution Passed</b> |
|-----------------------|--|----------------------------|------------|---------------|------------------------|----------------------------------|
| 2017-18               | YWCA Bombay International Centre<br>18th Madame Cama Road,<br>Fort- Mumbai- 400001 | 26th<br>September,<br>2017 | Monday     | 12.15<br>P.M. | AGM                    | 0                                |
| 2016-17               | YWCA Bombay International Centre<br>18th Madame Cama Road,<br>Fort- Mumbai- 400001 | 26th<br>September,<br>2016 | Tuesday    | 10.30<br>A.M. | AGM                    | 1                                |
| 2015-16               | YWCA Bombay International Centre<br>18th Madame Cama Road,<br>Fort- Mumbai- 400001 | 26th<br>September,<br>2016 | Monday     | 10.30<br>A.M. | AGM                    | 1                                |

**b) Postal Ballot :**

No Special Resolution was passed through postal ballot during the Financial Year 2017-18. In the ensuing Annual General Meeting, there is no business requiring Postal Ballot.

**8. DISCLOSURES :**

During the financial year 2017-18, there were no materially significant transactions entered into between the Company and its promoters, directors or the management, subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

No penalties are imposed on the Company or any of its directors by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last (3) three years.

**9. MEANS OF COMMUNICATION :**

The Company regularly intimates unaudited as well as audited financial results to the Stock Exchanges where the shares of the Company are listed as soon as these are taken on record / approved.

These financial results are published in dailies having wide circulation. These Results are normally published in The Financial Express (English) and in Mumbai Lakshadweep (Marathi) News Papers.

**10. CEO/CFO CERTIFICATION :**

The Managing Director and Chief Finance Officer (CFO) certifies on the financial statement pursuant to Regulation 17(8) of the Listing Regulation is annexed and forms part of the Annual Report of the Company.

**11. GENERAL SHAREHOLDER INFORMATION :**

**a) Detail Programme of the 24<sup>th</sup> ANNUAL GENERAL MEETING:**

**DATE** : 29th SEPTEMBER, 2018  
**DAY** : SATURDAY  
**TIME** : 3:15 P.M.  
**VENUE** : YWCA BOMBAY INTERNATIONAL CENTRE,  
 18<sup>th</sup> MADAME CAMA ROAD, FORT- MUMBAI- 400001

**b) FINANCIAL YEAR** : 1st April, 2017 to 31st March, 2018

**c) BOOK CLOSURE DATE** : 28th September, 2018 to 29TH September, 2018 (Both days inclusive)

**d) LISTING ON STOCK EXCHANGES** : The Company's Ordinary shares are listed on the following Stock Exchanges:

1. Bombay Stock Exchange Limited and
2. Metropolitan Stock Exchange of India Limited

**e) STOCK CODE :**

Bombay Stock Exchange Limited: 533790  
 Metropolitan Stock Exchange of India Limited: KGNENT

**f) DEMAT INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)FOR EQUITY SHARES :**

INE 755B01019

**MONTHWISE STOCK MARKET PRICE DATA (BSE) RELATING TO EQUITY SHARES OF THE COMPANY FOR THE PERIOD 1st APRIL, 2017 TO 31st MARCH, 2018.**

| PERIOD FROM<br>APRIL, 2017<br>TO MARCH, 2018 | PRICE PER SHARE |           | NO.OF<br>SHARES<br>TRADED |
|--|-----------------|-----------|---------------------------|
|  | HIGH (RS.)      | LOW (RS.) |                           |
| April, 2017                                  | 6.77            | 5.10      | 26,446                    |
| May, 2017                                    | 8.20            | 6.90      | 51,517                    |
| June, 2017                                   | 7.85            | 6.40      | 10,683                    |
| July, 2017                                   | 6.28            | 5.77      | 16,129                    |
| August, 2017                                 | 6.12            | 5.84      | 8,04,141                  |
| September, 2017                              | 6.01            | 5.34      | 15,375                    |
| October, 2017                                | 5.44            | 5.34      | 3,552                     |
| November, 2017                               | 5.25            | 4.68      | 2,026                     |
| December, 2017                               | 4.60            | 4.40      | 6,865                     |
| January, 2018                                | 5.66            | 4.33      | 23,308                    |
| February, 2018                               | 5.76            | 5.54      | 4,101                     |
| March, 2018                                  | 5.84            | 5.54      | 1,016                     |

(Source- www.bseindia.com)

**g) REGISTRAR AND SHARE TRANSFER AGENTS :**

Members are requested to correspond with the Company's Registrar & Transfer Agents-

**Purva Sharegistry (India) Pvt. Ltd.,**

9, Shiv Shakti Industrial Estt., Behind Creative Ind. Estt.,

Off. N.M. Joshi Marg, Lower Parel (E), Mumbai, Maharashtra,400011

**h) SHARE TRANSFER PROCESS :**

Trading in equity share of the Company is permitted in physical and dematerialized form. Share transfer in physical form and request for demat received by the Registrar and Transfer agent are registered and returned within the statutory period, provided all documents are valid and complete in all respects.

**i) DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2018:**

| Sr. No. | Range of Holding | No. of Shareholders | No. of Shares   | % to Capital  |
|---------|------------------|---------------------|-----------------|---------------|
| 1.      | Up to 500        | 593                 | 83454           | 0.4077        |
| 2.      | 501 to 1000      | 129                 | 108880          | 0.5319        |
| 3.      | 1001 to 2000     | 102                 | 153122          | 0.7480        |
| 4.      | 2001 to 3000     | 58                  | 149491          | 0.7303        |
| 5.      | 3001 to 4000     | 35                  | 125718          | 0.6142        |
| 6.      | 4001 to 5000     | 86                  | 422132          | 2.0622        |
| 7.      | 5001 to 10000    | 109                 | 841494          | 4.1109        |
| 8.      | Above 10000      | 144                 | 18585709        | 90.7949       |
|         | <b>Total</b>     | <b>1256</b>         | <b>20470000</b> | <b>100.00</b> |

**k) SHAREHOLDING PATTERN AS ON 31st MARCH, 2018:**

| No. | Category   | No. of Shares   | Percentage    |
|-----|--|-----------------|---------------|
| 1.  | Indian Public  | 5013701         | 24.49         |
| 2.  | NRIs / OCBs  | 8327            | 0.0407        |
| 3.  | Mutual Funds and UTI   | 0               | 0             |
| 4.  | Banks, Financial Institutions and Insurance Companies (Central Institutions) | 0               | 0             |
| 5.  | Clearing Member  | 1752615         | 8.56          |
| 6.  | Corporate Bodies   | 2151495         | 10.51         |
| 7.  | Indian Promoters   | 10866141        | 53.0833       |
| 8.  | Foreign Institutional Investors  | 0               | 0             |
| 9.  | HUF  | 677721          | 3.3108        |
|     | <b>TOTAL</b>   | <b>20470000</b> | <b>100.00</b> |

**l) DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

Percentage of Shares held in Physical form : 3.41 %  
 Percentage of Shares held in Electronic form : 96.58 %

**m) Outstanding ADRs/GDRs :** The Company has not issued any ADRs/GDRs.

**n) ADDRESS FOR CORRESPONDENCE :**

B-15, Hirnen Shopping Centre co.op.hsg, Society Ltd,  
 Near City Centre, S.V. Road, Goregaon(west,)Mumbai-400062.  
 Tel no. 022-67256547 E-mail - Info@kgnenterprises.com

**By Order of the Directors of the  
 KGN ENTERPRISES LIMITED**

**BABULAL HIRANI  
 MANAGING DIRECTOR  
 DIN: 02362983**

**Date : 26/05/2018  
 Place : Mumbai**

**DECLARATION**

As required under SEBI Listing Regulations, it is hereby declared that all the Board Members and Senior Management Personnel of KGN ENTERPRISES LIMITED have affirmed the compliance with the Code of Conduct for the year ended March 31, 2018.

**By Order of the Directors of the  
KGN ENTERPRISES LIMITED**

**Date : 26/05/2018  
Place : Mumbai**

**BABULAL HIRANI  
MANAGING DIRECTOR  
DIN: 02362983**

**CEO/CFO CERTIFICATION**

To,  
The Board of Director  
**KGN Enterprises Limited,**  
Mumbai

We, Mr. Mohsin Ismailbhai Memon, Chief Finance Officer and Mr. Babulal Jethalal Hirani, Chairman & Managing Director of KGN Enterprises Limited (the Company), hereby certify to the Board that:

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
  - i) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading:
  - ii) These statements together present a true and fair view of the Company affairs and are in compliance with the existing accounting standards, applicable laws, and regulations.
- b) There are, to best of our knowledge and belief, no transactions entered into by company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We are responsible for establishing and maintaining Internal Controls for financial reporting in company and we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting. 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 steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the audit Committee:
  - i) Significant changes in Internal Controls over financial reporting during the year.
  - ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements and
  - iii) Instance of Significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company Internal Control System.
- e) We further declare that all Board Members and Senior Management have affirmed compliance with the Code of Conduct for the current year.

**Date : 26-05-2018  
Place : Mumbai**

**Mohsin Ismailbhai Memon  
Chief Finance Officer**

**Babulal Jethalal Hirani  
Managing Director**

**AUDITORS' CERTIFICATE**

To,  
The Members  
KGN Enterprises Limited, Mumbai

We have read the Report of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by the KGN Enterprises Limited for the year ended 31st March, 2017, 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 stock exchange(s).

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 specified in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

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

**For Kamlesh Bhojani & Associates  
Chartered Accountant**

**Kamlesh Bhojani  
Proprietor  
M.No. 119808  
FRN: 127505W**

**Place : Ahmedabad  
Date : 26.05.2018**





**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**KGN ENTERPRISES LIMITED**

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **KGN ENTERPRISES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the IND AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether the IND AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) 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, as amended, 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 position in its Ind AS financial statements – Refer Note 4, 27 and 43(ii) to the Ind AS 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

**Other Matter**

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 prepared in accordance with Ind AS, included in these Ind AS financial statements, have been audited by the predecessor auditor who had audited the financial statements for the relevant periods.

**For kamlesh Bhojani & Associates**  
**Chartered Accountants**

**Kamlesh Bhojani**  
**ICAI Firm Registration Number: 127505W**  
**Proprietor**  
**Membership Number: 119808**  
**Firm Registration Number: 127505W**

**Place of Signature : Ahmedabad**  
**Date : 26.05.2018**

**ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION ON “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE**

**TO THE MEMBERS OF  
KGN ENTERPRISES LIMITED**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
2. (a) The Inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
3. (a) The Company has granted unsecured loan to its Subsidiary Companies and parties in the register maintained under Section 189 of the Companies Act, 2013. The Maximum amount granted during the year and year end balances of loan to such subsidiaries were as per details given below. The terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.

| <b>Sr. No.</b> | <b>Name of the Party</b>    | <b>Relation with the Compant</b> | <b>Maximum Outstanding (in Rs.)</b> | <b>Closing Balance As on 31/03/2018 (in Rs.)</b> |
|----------------|-----------------------------|----------------------------------|-------------------------------------|--|
| 1.             | KGN BIO-TECH Limited        | Subsidiary Company               | 5,90,06,627/-                       | 5,90,06,627/-                                    |
| 2.             | KGN OIL&GAS PRIVATE Limited | Subsidiary Company               | 1,25,19,328/-                       | 1,25,19,328/-                                    |

- (b) The Company has taken loans, secured or unsecured from the companies or other parties covered in the register maintained u/s 189 of the Companies Act, 2013. The Maximum amount granted during the year and yearend balances of loan to such subsidiaries were as per details given below. The terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.

| <b>Sr. No.</b> | <b>Name of the Party</b> | <b>Relation with the Compant</b> | <b>Maximum Outstanding (in Rs.)</b> | <b>Closing Balance As on 31/03/2018 (in Rs.)</b> |
|----------------|--------------------------|----------------------------------|-------------------------------------|--|
| 1.             | KGN INDUSTRIES LIMITED   | Associates                       | 13,80,66,175/-                      | 13,75,67,699/-                                   |
| 2.             | KGN GREEN LIMITED        | Subsidiary company               | 6,05,317/-                          | 6,05,317/-                                       |
| 3.             | KGN PROTEINSLIMITED      | Subsidiary Company               | 6,80,317/-                          | 6,80,317/-                                       |

4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of

the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.

- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the IND AS Financial Statements as required by the applicable accounting standards.
14. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the IND AS Financial Statements as required by the applicable accounting standards.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For Kamlesh Bhojani & Associates Chartered Accountant**

**Kamlesh Bhojani**  
**Proprietor**  
**M.No. 119808**  
**FRN: 127505W**

**Place : Ahmedabad**  
**Date : 26.05.2018**

BALANCE SHEET AS AT 31<sup>st</sup> MARCH , 2018

(Amount in Rs.)

| Particulars                           | Note No. | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---------------------------------------|----------|------------------------|------------------------|-----------------------|
| <b>ASSETS:</b>                        |          |                        |                        |                       |
| <b>Non-Current Assets</b>             |          |                        |                        |                       |
| Property, Plants & Equipments         | 1        | 441,731,624            | 441,731,624            | 441,684,624           |
| Capital Work-In-Progress              | 1        | 101,775,299            | 101,775,299            | 101,775,299           |
| <b>Financial Assets</b>               |          |                        |                        |                       |
| - Investments                         | 2        | 1,655,000              | 1,655,000              | 1,655,000             |
| - Loans                               | 3        | 74,705,162             | 74,705,162             | 81,008,801            |
| <b>Total Non-Current Assets</b>       |          | <b>619,867,085</b>     | <b>619,867,085</b>     | <b>626,123,724</b>    |
| <b>Current Assets</b>                 |          |                        |                        |                       |
| Inventories                           | 4        | -                      | -                      | -                     |
| <b>Financial Assets</b>               |          |                        |                        |                       |
| - Trade Receivables                   | 5        | 179,468,903            | 179,468,903            | 179,468,903           |
| - Cash and Cash Equivalents           | 6        | 2,196,938              | 2,147,543              | 5,975,189             |
| - Loans                               | 7        | -                      | -                      | -                     |
| Other Current Assets                  | 8        | 40,611,044             | 39,661,496             | 32,480,021            |
| <b>Total Current Assets</b>           |          | <b>222,276,885</b>     | <b>221,277,942</b>     | <b>217,924,113</b>    |
| <b>Total Assets</b>                   |          | <b>842,143,971</b>     | <b>841,145,028</b>     | <b>844,047,837</b>    |
| <b>EQUITY AND LIABILITIES</b>         |          |                        |                        |                       |
| <b>Equity</b>                         |          |                        |                        |                       |
| Equity Share Capital                  | 9        | 204,700,000            | 204,700,000            | 204,700,000           |
| Other Equity                          | 10       | 493,131,266            | 492,827,424            | 492,537,583           |
| <b>Total Equity</b>                   |          | <b>697,831,266</b>     | <b>697,527,424</b>     | <b>697,237,583</b>    |
| <b>Liabilities</b>                    |          |                        |                        |                       |
| <b>Non-Current Liabilities</b>        |          |                        |                        |                       |
| <b>Financial Liabilities</b>          |          |                        |                        |                       |
| - Borrowings                          | 11       | 137,567,699            | 138,216,175            | 141,795,978           |
| - Other Financial Liabilities         |          | -                      | -                      | -                     |
| Provisions                            | 12       | 2,355,111              | 2,287,968              | 2,287,968             |
| Deferred Tax Liabilities (net)        |          | 2,118,994              | 2,118,994              | 2,118,994             |
| Other Non-Current Liabilities         |          | -                      | -                      | -                     |
| <b>Total Non-Current Liabilities</b>  |          | <b>142,041,804</b>     | <b>142,623,137</b>     | <b>146,202,940</b>    |
| <b>Current Liabilities</b>            |          |                        |                        |                       |
| <b>Financial Liabilities</b>          |          |                        |                        |                       |
| - Borrowings                          | 13       | 2,673,310              | 1,763,659              | 1,355,987             |
| - Trade Payables                      | 14       | 820,936                | 710,510                | 495,585               |
| - Other Financial Liabilities         |          | -                      | -                      | -                     |
| Provisions                            | 15       | 345,465                | 92,066                 | 324,930               |
| Other Current Liabilities             | 16       | -1,568,810             | -1,571,768             | -1,569,189            |
| <b>Total Current Liabilities</b>      |          | <b>2,270,901</b>       | <b>994,467</b>         | <b>607,313</b>        |
| <b>Total Equity &amp; Liabilities</b> |          | <b>842,143,971</b>     | <b>841,145,028</b>     | <b>844,047,837</b>    |

Significant Accounting Policies

Notes to the Financial Statements 1 to 29

The Accompanying notes are an Integral Part of Financial Statements

As per our Report of even date

For Kamlesh Bhojani & Associates  
Chartered Accountants

For and on behalf of the Board of Directors

**Kamlesh Bhojani**  
Proprietor  
M. No. 119808  
FRN. : 127505W

**Ismail Memon**  
Chairman  
DIN : 00209507

**Babulal J Hirani**  
Managing Director  
DIN : 02362983

**Janki Vaghela**  
Director  
DIN : 03050746

Date : 26.05.2018  
Place : Ahmedabad

Date : 26.05.2018  
Place : Mumbai

**Profit and Loss statement Balance for the year ended 31<sup>st</sup> March 2018**

(Amount in Rs.)

| Particulars   | Note | 2017-2018        | 2016-2017        |
|---|------|------------------|------------------|
| <b>INCOME :</b>   |      |                  |                  |
| Revenue From Operations                                 | 17   | -                | -                |
| Other Income  | 18   | 1,269,632        | 1,100,347        |
| <b>Total Income</b>                                     |      | <b>1,269,632</b> | <b>1,100,347</b> |
| <b>EXPENDITURE :</b>                                    |      |                  |                  |
| Cost of Material Consumed                               |      | -                | -                |
| Changes in Inventories of Finished Goods                |      |                  |                  |
| Work-In-Progress and Stock-in-Trade                     |      | -                | -                |
| Employee Benefits Expense                               | 19   | 416,995          | 247,266          |
| Finance Costs   | 20   | 13,201           | 5,966            |
| Depreciation and Amortization Expense                   | 21   | -                | -                |
| Other Expenses  | 22   | 399,724          | 485,208          |
| <b>Total Expenses</b>                                   |      | <b>829,920</b>   | <b>738,440</b>   |
| <b>Profit Before Tax</b>                                |      | <b>439,712</b>   | <b>361,907</b>   |
| Tax Expense:  |      |                  |                  |
| - Current Tax   |      | 135,870          | 72,066           |
| - Deferred Tax  |      | -                | -                |
| - Excess Provision of Income Tax for Earlier Years      |      | -                | -                |
| <b>Profit for the Year</b>                              |      | <b>303,842</b>   | <b>289,841</b>   |
| Earnings per Equity Share of Face Value of Rs. 10 each: |      |                  |                  |
| Basic (in Rs.)  |      | 0.01             | 0.01             |
| Diluted (in Rs.)  |      | 0.01             | 0.01             |

**Significant Accounting Policies**

**Notes to the Financial Statements**

**1 to 29**

**The Accompanying notes are an Integral Part of Financial Statements**

As per our Report of even date

**For Kamlesh Bhojani & Associates**  
Chartered Accountants

For and on behalf of the Board of Directors

**Kamlesh Bhojani**  
Proprietor  
M. No. 119808  
FRN. : 127505W

**Ismail Memon**  
Chairman  
DIN : 00209507

**Babulal J Hirani**  
Managing Director  
DIN : 02362983

**Janki Vaghela**  
Director  
DIN : 03050746

**Date : 26.05.2018**  
**Place : Ahmedabad**

**Date : 26.05.2018**  
**Place : Mumbai**

CASH FLOW STATEMENT FOR THE YEAR ENDED 2017-2018

(Amount in Rs.)

| Particulars   | 2017-2018        | 2016-2017         |
|---|------------------|-------------------|
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>            |                  |                   |
| Net Profit Before Tax as per Statement of Profit and Loss | 439,712          | 361,907           |
| <b>Adjustment For:</b>                                    |                  |                   |
| Depreciation and Amortisation Expenses                    | -                | -                 |
| Finance Cost  | 13,201           | 5,966             |
| Interest on Fixed Deposits                                | -240,283         | -387,025          |
| <b>Operating Profit before Working Capital Changes</b>    | <b>212,630</b>   | <b>-19,152</b>    |
| <b>Adjustment For:</b>                                    |                  |                   |
| (Increase)/Decrease in Trade Receivable                   | -                | -                 |
| (Increase)/Decrease in Inventories                        | -                | -                 |
| (Increase)/Decrease in Other Current Assets               | -949,548         | -2,187,391        |
| Increase/(Decrease) in Trade Payable                      | 110,426          | 214,925           |
| Increase/(Decrease) in Other Current Liabilities          | 2,958            | -2,579            |
| Increase/(Decrease) in Provisions                         | 320,542          | -232,864          |
| <b>Net Changes in Working Capital</b>                     | <b>-515,622</b>  | <b>-2,207,909</b> |
| <b>Cash Generated From Operations</b>                     | <b>-302,992</b>  | <b>-2,227,061</b> |
| Taxes Paid  | 135,870          | 72,066            |
| <b>Net Cash Flow from Operating Activities</b>            | <b>-438,862</b>  | <b>-2,299,127</b> |
| <b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>            |                  |                   |
| Purchase of Property, Plants & Equipments                 | -                | -47,000           |
| Interest Received   | 240,283          | 387,025           |
| Change in Current Advances                                | -                | -4,994,084        |
| Change in Non Current Advances                            | -                | 6,303,640         |
| <b>Net Cash Flow from Investing Activities</b>            | <b>240,283</b>   | <b>1,649,580</b>  |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES:</b>            |                  |                   |
| Interest Paid   | -13,201          | -5,966            |
| Change in Current Financial Liabilities                   | 909,651          | 407,672           |
| Change in Non Current Financial Liabilities               | -648,476         | -3,579,803        |
| <b>Net Cash Flow from Financing Activities</b>            | <b>247,974</b>   | <b>-3,178,097</b> |
| <b>Net Cash flow (A+B+C)</b>                              | <b>49,392</b>    | <b>-3,827,647</b> |
| Opening Balance of Cash & Cash Equivalents                | 2,147,543        | 5,975,189         |
| <b>Closing Balance of Cash &amp; Cash Equivalents</b>     | <b>2,196,938</b> | <b>2,147,543</b>  |

As per our Report of even date

**For Kamlesh Bhojani & Associates**  
Chartered Accountants

**Kamlesh Bhojani**  
Proprietor  
M. No. 119808  
FRN. : 127505W

**Date : 26.05.2018**  
**Place : Ahmedabad**

For and on behalf of the Board of Directors

**Ismail Memon**  
Chairman  
DIN : 00209507

**Babulal J Hirani**  
Managing Director  
DIN : 02362983

**Janki Vaghela**  
Director  
DIN : 03050746

**Date : 26.05.2018**  
**Place : Mumbai**



**SIGNIFICANT ACCOUNTING POLICIES FOR STANDALONE FINANCIAL STATEMENTS.**

The Company has applied following accounting policies to all periods presented in the Ind AS Financial Statement.

**a) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes and other indirect taxes excluding excise duty.

Excise duty is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to Company on its own account, revenue includes excise duty. However, GST/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue. Revenue from sales is recognised when all significant risks and rewards of ownership of the commodity sold are transferred to the customer which generally coincides with delivery. Revenues from sale of byproducts are included in revenue.

**b) Property, Plant and Equipment**

**(i) Property, plant and equipment**

The Company has applied Ind AS 16 with retrospective effect for all of its property, plant and equipment as at the transition date, viz., 1 April 2017

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met

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. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(ii) Capital work in progress**

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

**(iii) Depreciation**

Assets in the course of development or construction and freehold land are not depreciated. Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use. Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a written down value basis over its expected useful life (determined by the management based on technical estimates), as follows:

The estimated useful lives of assets are as follows:

- Buildings 30-60 years



- Plant and equipments 15-40 years
- Furniture and fixtures 5-10 years
- Vehicles 8-10 years
- Office equipments 5 years

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

Expenditure related to Development of Mines are amortized on the basis of production, proportional to mineral resources expected to be ultimately economically recoverable.

When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.

**c) Intangible assets**

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. The Company currently does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

**d) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

**e) Inventories**

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value.

Costs incurred in bringing the inventory to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value.

**f) Taxation**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

#### **g) Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

#### **h) Segment Reporting**

There are no segment for reporting.

#### **i) Cash Flow Statement**

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

1. PROPERTY, PLANTS & EQUIPMENTS, CAPITAL WORK-IN-PROGRESS :

|                                 | Gross Block                   |                        |   |                               |                               | Accumulated Depreciation      |                            |                                 |                    |                               | Net Block                     |                               |                              |
|---------------------------------|-------------------------------|------------------------|---|-------------------------------|-------------------------------|-------------------------------|----------------------------|---------------------------------|--------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------|
|                                 | Balance as at 1st April, 2017 | Addi-tion/ (Dis-posal) | Acquired through business Combi-nations | Revalue-ation/ (Impair-ments) | Balance as at 31st March 2017 | Balance as at 1st April, 2018 | Depreci-ation for the year | Adjust-ment due to revalu-ation | On dis-posal       | Balance as at 31st March 2018 | Balance as at 31st March 2018 | Balance as at 31st March 2017 | Balance as at 1st April 2016 |
| <b>Tangible Assets</b>          |                               |                        |   |                               |                               |                               |                            |                                 |                    |                               |                               |                               |                              |
| Land                            | 29,109,327                    | -                      | -                                       | -                             | 29,109,327                    | -                             | -                          | -                               | -                  | 29,109,327                    | 29,109,327                    | 29,109,327                    |                              |
| Buildings                       | 179,027,454                   | -                      | -                                       | -                             | 179,027,454                   | 35,271,868                    | -                          | -                               | 35,271,868         | 143,755,586                   | 143,755,586                   | 143,708,586                   |                              |
| 4.75% Plant and Equipment*      | 367,523,522                   | -                      | -                                       | -                             | 367,523,522                   | 108,151,770                   | -                          | -                               | 108,151,770        | 259,371,752                   | 259,371,752                   | 259,371,752                   |                              |
| 6.33% Furniture and Fixtures    | 6,419,919                     | -                      | -                                       | -                             | 6,419,919                     | 2,727,981                     | -                          | -                               | 2,727,981          | 3,691,938                     | 3,691,938                     | 3,691,938                     |                              |
| 9.50% Vehicles                  | 2,070,913                     | -                      | -                                       | -                             | 2,070,913                     | 778,298                       | -                          | -                               | 778,298            | 1,292,615                     | 1,292,615                     | 1,292,615                     |                              |
| 4.75% Office equipment          | 4,401,997                     | -                      | -                                       | -                             | 4,401,997                     | 521,576                       | -                          | -                               | 521,576            | 3,880,421                     | 3,880,421                     | 3,880,421                     |                              |
| 16.21% Computers                | 857,809                       | -                      | -                                       | -                             | 857,809                       | 227,824                       | -                          | -                               | 227,824            | 629,985                       | 629,985                       | 629,985                       |                              |
| <b>Total</b>                    | <b>589,410,941</b>            | <b>-</b>               | <b>-</b>                                | <b>-</b>                      | <b>589,410,941</b>            | <b>147,679,317</b>            | <b>-</b>                   | <b>-</b>                        | <b>147,679,317</b> | <b>441,731,624</b>            | <b>441,731,624</b>            | <b>441,684,624</b>            |                              |
| <b>Capital Work-in-Progress</b> | 101,775,299                   | -                      | -                                       | -                             | 101,775,299                   | -                             | -                          | -                               | -                  | 101,775,299                   | 101,775,299                   | 101,775,299                   |                              |
| <b>Total</b>                    | <b>101,775,299</b>            | <b>-</b>               | <b>-</b>                                | <b>-</b>                      | <b>101,775,299</b>            | <b>-</b>                      | <b>-</b>                   | <b>-</b>                        | <b>-</b>           | <b>101,775,299</b>            | <b>101,775,299</b>            | <b>101,775,299</b>            |                              |
| <b>Grand Total</b>              | <b>691,186,240</b>            | <b>-</b>               | <b>-</b>                                | <b>-</b>                      | <b>691,186,240</b>            | <b>147,679,317</b>            | <b>-</b>                   | <b>-</b>                        | <b>147,679,317</b> | <b>543,506,923</b>            | <b>543,506,923</b>            | <b>543,459,923</b>            |                              |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

| Particulars   | As at<br>31st March, 2018     | As at<br>31st March, 2017   | As at<br>1st April, 2016   |
|---|-------------------------------|-----------------------------|----------------------------|
| <b>2. NON-CURRENT INVESTMENTS :</b>   |                               |                             |                            |
| <b>TRADE INVESTMENTS</b>  | -                             | -                           | -                          |
| <b>OTHER INVESTMENTS</b>  | <b>Number of Shares as at</b> |                             |                            |
|   | <b>31st March,<br/>2018</b>   | <b>31st March,<br/>2017</b> | <b>1st April,<br/>2016</b> |
| <b>In Equity Shares of<br/>Subsidiary Companies -<br/>UNQUOTED, fully Paid up</b> |                               |                             |                            |
| - KGN Bio-Tech Limited  | 50,000                        | 50,000                      | 50,000                     |
| - KGN Green Limited   | 50,000                        | 50,000                      | 50,000                     |
| - KGN Oil & Gas<br>Private Limited  | 10,000                        | 10,000                      | 10,000                     |
| - KGN Proteins Limited  | 50,000                        | 50,000                      | 50,000                     |
| National Saving Certificate   | <b>55,000</b>                 | 55,000                      | 55,000                     |
| <b>TOTAL</b>  | <b>1,655,000</b>              | <b>1,655,000</b>            | <b>1,655,000</b>           |
| <b>3. NON CURRENT LOANS :</b>   |                               |                             |                            |
| <b>Loans and advances to Related Parties:</b>                                     |                               |                             |                            |
| KGN Bio-Tech Limited  | 59,006,627                    | 59,006,627                  | 59,170,944                 |
| KGN Oil & Gas Pvt Ltd   | 12,519,328                    | 12,519,328                  | 12,515,060                 |
| Others  | -                             | -                           | -                          |
| <b>Total</b>  | <b>71,525,955</b>             | <b>71,525,955</b>           | <b>71,686,004</b>          |
| <b>Security Deposits :</b>  |                               |                             |                            |
| <b>Unsecured, Considered Good</b>   |                               |                             |                            |
| GEB Security Deposit  | 2,219,665                     | 2,219,665                   | 2,219,665                  |
| CR Gas Agency   | 2,000                         | 2,000                       | 2,000                      |
| Deposit for Mumbai Office   | -                             | -                           | -                          |
| Vodafone Deposit  | -                             | -                           | -                          |
| FDR Against Bank Guarantee for EPCG   | -                             | -                           | 537,818                    |
| FDR Against EPCG  | 957,542                       | 957,542                     | 6,263,314                  |
| Security Deposit For Export   | -                             | -                           | 300,000                    |
| <b>Total</b>  | <b>3,179,207</b>              | <b>3,179,207</b>            | <b>9,322,797</b>           |
| <b>TOTAL</b>  | <b>74,705,162</b>             | <b>74,705,162</b>           | <b>81,008,801</b>          |
| <b>4. INVENTORIES :</b>   |                               |                             |                            |
| Stock in hand   | -                             | -                           | -                          |
| <b>TOTAL</b>  | <b>-</b>                      | <b>-</b>                    | <b>-</b>                   |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

| Particulars                                     | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|---|---------------------------|---------------------------|--------------------------|
| <b>5. TRADE RECEIVABLE:</b>                     |                           |                           |                          |
| <b>(Unsecured and Considered Good)</b>          |                           |                           |                          |
| Over Six Months                                 | 179,468,903               | 179,468,903               | 179,468,903              |
| Other   | -                         | -                         | -                        |
| <b>TOTAL</b>                                    | <b>179,468,903</b>        | <b>179,468,903</b>        | <b>179,468,903</b>       |
| <b>6. CASH AND CASH EQUIVALENTS:</b>            |                           |                           |                          |
| Cash In Hand & Balances with banks              | 2,196,938                 | 2,147,543                 | 5,975,189                |
| <b>TOTAL</b>                                    | <b>2,196,938</b>          | <b>2,147,543</b>          | <b>5,975,189</b>         |
| <b>7. CURRENT LOANS:</b>                        |                           |                           |                          |
| <b>a. Loans and advances to Related Parties</b> |                           |                           |                          |
| <b>b. Security Deposit</b>                      |                           |                           |                          |
| Unsecured, Considered Good                      |                           |                           |                          |
| <b>c. Others</b>                                |                           |                           |                          |
| Unsecured, Considered Good                      |                           |                           |                          |
| Advance Receivable in Cash                      | -                         | -                         | -                        |
| Advance for Project                             | -                         | -                         | -                        |
| <b>TOTAL</b>                                    | <b>-</b>                  | <b>-</b>                  | <b>-</b>                 |
| <b>8. OTHER CURRENT ASSETS:</b>                 |                           |                           |                          |
| Interest Income Receivable                      | 163,770                   | 99,571                    | 75,154                   |
| Duty Drawback Provision                         | -                         | -                         | -                        |
| Preoperating Expenses for Capitalisation        | 22,512,173                | 21,590,957                | 19,427,983               |
| Balance With Government Authority               | 17,935,101                | 17,970,968                | 12,976,884               |
| <b>TOTAL</b>                                    | <b>40,611,044</b>         | <b>39,661,496</b>         | <b>32,480,021</b>        |



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Amount in Rs.)

**9. EQUITY SHARE CAPITAL :**

|  | As at 31st March, 2018 |                    | As at 31st March, 2017 |                    | As at 1st April, 2016 |                    |
|--|------------------------|--------------------|------------------------|--------------------|-----------------------|--------------------|
|  | Number                 | Amounts            | Number                 | Amounts            | Number                | Amounts            |
| <b>Authorised Share Capital:</b>   |                        |                    |                        |                    |                       |                    |
| 2,10,00,000 Equity shares of Rs. 10 each<br>(P.Y.: 2,10,00,000 Equity Shares of Rs. 10 each)   | 21,000,000             | 210,000,000        | 21,000,000             | 210,000,000        | 21,000,000            | 210,000,000        |
| 5,00,000 Preference Shares of Rs. 10 each<br>(8% Non-Cumulative Redeemable Preference Shares)<br>(P.Y.: 5,00,000 Preference Shares of Rs. 10 each) | 500,000                | 5,000,000          | 500,000                | 5,000,000          | 500,000               | 5,000,000          |
|  | <b>21,500,000</b>      | <b>215,000,000</b> | <b>21,500,000</b>      | <b>215,000,000</b> | <b>21,500,000</b>     | <b>215,000,000</b> |
| <b>Issued, Subscribed &amp; Paid up:</b>   |                        |                    |                        |                    |                       |                    |
| 2,04,70,000 Equity Shares of Rs. 10 each<br>(P.Y.: 2,04,70,000 Equity Shares of Rs. 10 each)   | 20,470,000             | 204,700,000        | 20,470,000             | 204,700,000        | 20,470,000            | 204,700,000        |
| 5,00,000 Preference Shares of Rs. 10 each<br>(8% Non-Cumulative Redeemable Preference Shares)*<br>(P.Y.: 5,00,000 Preference Shares of ' 10 each)  | -                      | -                  | -                      | -                  | -                     | -                  |
| <b>TOTAL</b>   | <b>20,470,000</b>      | <b>204,700,000</b> | <b>20,470,000</b>      | <b>204,700,000</b> | <b>20,470,000</b>     | <b>204,700,000</b> |

**9.1 The Reconciliation of the number of Shares Outstanding is set out below :**

| Particulars                                     | Equity Shares |             |
|---|---------------|-------------|
|   | Number        | Amounts     |
| Shares outstanding at the beginning of the year | 20,470,000    | 204,700,000 |
| Shares Issued during the year                   | -             | -           |
| Shares bought back during the year              | -             | -           |
| Shares outstanding at the end of the year       | 20,470,000    | 204,700,000 |

**9.2 The details of shareholders holding more than 5% shares :**

| Name of Shareholder            | As at 31st March, 2018 |              | As at 31st March, 2017 |              | As at 1st April, 2016 |              |
|--------------------------------|------------------------|--------------|------------------------|--------------|-----------------------|--------------|
|                                | No. of Shares held     | % of Holding | No. of Shares held     | % of Holding | No. of Shares held    | % of Holding |
| KGN Properties Private Limited | 9,948,800              | 48.60        | 9,948,800              | 48.60        | 9,948,800             | 48.60        |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

| Particulars  | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
| <b>10. OTHER EQUITY :</b>                          |                           |                           |                          |
| <b>A. Capital Reserve</b>                          |                           |                           |                          |
| Opening Balance                                    | 345,793,125               | 345,793,125               | 345,793,125              |
| (+) Share Warrant Forfeited                        | -                         | -                         | -                        |
|  | <b>345,793,125</b>        | <b>345,793,125</b>        | <b>345,793,125</b>       |
| <b>B. Share Premium</b>                            |                           |                           |                          |
|  | 91,800,000                | 91,800,000                | 91,800,000               |
|  | <b>91,800,000</b>         | <b>91,800,000</b>         | <b>91,800,000</b>        |
| <b>C. Capital Redemption Reserve</b>               |                           |                           |                          |
| Opening Balance                                    | 5,000,000                 | 5,000,000                 | 5,000,000                |
| (+) Transfer from Retained Earnings                | -                         | -                         | -                        |
|  | <b>5,000,000</b>          | <b>5,000,000</b>          | <b>5,000,000</b>         |
| <b>D. Retained Earnings</b>                        |                           |                           |                          |
| Opening Balance                                    | 50,234,299                | 49,944,458                | 49,503,873               |
| (+) Current Year Transfer                          | 303,842                   | 289,841                   | 440,585                  |
| (-) Transfer to Capital Redemption Reserve         | -                         | -                         | -                        |
| Dividend Undeclared                                | -                         | -                         | -                        |
| Tax On Dividend undelared                          | -                         | -                         | -                        |
| <b>Closing Balance</b>                             | <b>50,538,141</b>         | <b>50,234,299</b>         | <b>49,944,458</b>        |
| <b>TOTAL</b>                                       | <b>493,131,266</b>        | <b>492,827,424</b>        | <b>492,537,583</b>       |
| <b>11. NON CURRENT BORROWINGS:</b>                 |                           |                           |                          |
| <b>Unsecured :</b>                                 |                           |                           |                          |
| <b>(a) Loans and advances From Related Parties</b> |                           |                           |                          |
| KGN Industries Limited                             | 137,567,699               | 138,216,175               | 141,795,978              |
| <b>TOTAL</b>                                       | <b>137,567,699</b>        | <b>138,216,175</b>        | <b>141,795,978</b>       |
| <b>12. NON CURRENT PROVISIONS:</b>                 |                           |                           |                          |
| <b>(a) Others</b>                                  |                           |                           |                          |
| Provision for Income Tax                           | 2,355,111                 | 2,287,968                 | 2,287,968                |
| <b>TOTAL</b>                                       | <b>2,355,111</b>          | <b>2,287,968</b>          | <b>2,287,968</b>         |
| <b>13. CURRENT BORROWINGS:</b>                     |                           |                           |                          |
| <b>Unsecured:</b>                                  |                           |                           |                          |
| <b>(a) Loans and advances From Related Parties</b> |                           |                           |                          |
| Farzana Ismail Memon                               | 80,125                    | 80,125                    | 80,125                   |
| Ismail Gulmohmad Memon                             | 1,107,551                 | 197,900                   | 28,862                   |
| Mohsin Ismail Memon                                | 200,000                   | 200,000                   | -                        |
| KGN Green Limited                                  | 605,317                   | 605,317                   | 596,000                  |
| KGN Proteins Limited                               | 680,317                   | 680,317                   | 651,000                  |
| <b>TOTAL</b>                                       | <b>2,673,310</b>          | <b>1,763,659</b>          | <b>1,355,987</b>         |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

| Particulars                           | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|---------------------------------------|---------------------------|---------------------------|--------------------------|
| <b>14. TRADE PAYABLE:</b>             |                           |                           |                          |
| Sundry Creditors for Seed             | -                         | -                         | -                        |
| Others                                | 820,936                   | 710,510                   | 495,585                  |
| <b>TOTAL</b>                          | <b>820,936</b>            | <b>710,510</b>            | <b>495,585</b>           |
| <b>15. CURRENT PROVISIONS:</b>        |                           |                           |                          |
| Provision for Salary                  | 189,595                   | -                         | 92,430                   |
| Provision for Audit Fees              | 20,000                    | 20,000                    | 40,000                   |
| Provision for Income Tax A.Y. 2018-19 | 135,870                   | -                         | -                        |
| Provision for Income Tax A.Y. 2017-18 | -                         | 72,066                    | -                        |
| Provision for Income Tax A.Y. 2016-17 | -                         | -                         | 192500                   |
| <b>TOTAL</b>                          | <b>345,465</b>            | <b>92,066</b>             | <b>324,930</b>           |
| <b>16. OTHER CURRENT LIABILITIES:</b> |                           |                           |                          |
| <b>Duties &amp; Taxes</b>             |                           |                           |                          |
| - TDS Payable                         | -                         | (3,118)                   | 1,061                    |
| - Vat Payable                         | -                         | -                         | -                        |
| - GST                                 | (160)                     | -                         | -                        |
| <b>Other Current Liabilities</b>      |                           |                           |                          |
| - Professional Tax                    | 31,350                    | 31,350                    | 29,750                   |
| - Sundry Creditors for Projects       | (1,600,000)               | (1,600,000)               | (1,600,000)              |
| - Sundry Creditors for Expense        | -                         | -                         | -                        |
| <b>TOTAL</b>                          | <b>(1,568,810)</b>        | <b>(1,571,768)</b>        | <b>(1,569,189)</b>       |
| <b>Particulars</b>                    |                           | <b>2017-2018</b>          | <b>2016-2017</b>         |
| <b>17. REVENUE FROM OPERATION:</b>    |                           |                           |                          |
| Export sales                          |                           | -                         | -                        |
| Sales                                 |                           | -                         | -                        |
| <b>TOTAL</b>                          |                           | <b>-</b>                  | <b>-</b>                 |
| <b>18. OTHER INCOME:</b>              |                           |                           |                          |
| Interest Income                       |                           | 240,283                   | 387,025                  |
| Excess provision for Income Tax       |                           | -                         | -                        |
| Foreign Exchange Gain                 |                           | -                         | -                        |
| Other Income                          |                           | 1,029,349                 | 713,322                  |
| <b>TOTAL</b>                          |                           | <b>1,269,632</b>          | <b>1,100,347</b>         |
| <b>19. EMPLOYEE BENEFITS EXPENSE:</b> |                           |                           |                          |
| Salaries and incentives               |                           | 401,995                   | 232,261                  |
| Director Remuneration                 |                           | 15,000                    | 15,000                   |
| Provident Fund Expenses               |                           | -                         | -                        |
| Staff Welfare Expenses                |                           | -                         | 5                        |
| <b>TOTAL</b>                          |                           | <b>416,995</b>            | <b>247,266</b>           |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

| Particulars  | 2017-2018      | 2016-2017      |
|--|----------------|----------------|
| <b>20. FINANCE COST:</b>                           |                |                |
| Bank Charges                                       | 13,201         | 5,966          |
| Interest Expenses                                  | -              | -              |
| <b>TOTAL</b>                                       | <b>13,201</b>  | <b>5,966</b>   |
| <b>21. DEPRICIATION AND AMORTISATION EXPENSES:</b> |                |                |
| Depreciation on Fixed Assets                       | -              | -              |
| <b>TOTAL</b>                                       | <b>-</b>       | <b>-</b>       |
| <b>22. OTHER EXPENSES</b>                          |                |                |
| <b>MANUFACTURING EXPENSES:</b>                     |                |                |
| Diesel Expenses                                    | -              | -              |
| Factory Expenses                                   | 10,017         | 6,535          |
| Power & Fuel Expenses                              | 163,505        | 186,726        |
| <b>TOTAL</b>                                       | <b>173,522</b> | <b>193,261</b> |
| <b>ADMINISTRATION EXPENSES:</b>                    |                |                |
| Advertisement Expenses                             | 20,790         | 18,640         |
| Audit Fees Expenses                                | 20,000         | 20,000         |
| Conveyance Expenses                                | -4,920         | 1,513          |
| Computer & Printer Expenses                        | -              | 1,356          |
| Donation Expenses                                  | -              | -              |
| Electricity Expenses                               | -              | 3,179          |
| Hotel Club & Hospitality Expenses                  | -              | -              |
| Land Tax   | -              | 44,604         |
| Legal & Professional Fees                          | 171,887        | 23,337         |
| Liasoning Expenses                                 | -              | 4,511          |
| Listing Fees A/c.                                  | -              | 119,070        |
| License fees                                       | -              | 500            |
| Medical expense                                    | -              | -              |
| Misc expense                                       | 17,081         | 300            |
| Office Expenses                                    | -106,792       | 6,310          |
| Petrol Expenses                                    | 2,625          | 3,432          |
| Postage & Courier Expenses                         | 352            | 1,439          |
| Printing & Stationery Expenses                     | 23,078         | 9,885          |
| Registration Fees                                  | -              | -              |
| Repairing and Maintenance Expense                  | 5,800          | -              |
| R&T fees   | 35,400         | -              |
| Kasar Vatav expense                                | -              | -              |
| ROC Expenses                                       | 2,424          | 1,563          |
| Security Expenses                                  | -              | -              |
| Swachh Bharat Cess                                 | -              | 362            |
| Telephone & Modam Expenses                         | 33,827         | 23,264         |
| Travelling Expenses                                | 4,650          | 5,907          |
| Vehicle Expenses                                   | -              | 150            |
| Web Development Expenses                           | -              | 2,625          |
| <b>Total</b>                                       | <b>226,202</b> | <b>291,947</b> |
| <b>GRAND TOTAL</b>                                 | <b>399,724</b> | <b>485,208</b> |



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**23. First Time Adoption Of Ind AS:**

The financial statements of the company for the year ended march 31,2018, are the first financials prepared in compliance with Ind AS recognition and measurement principles.The date of transition to Ind AS is April 1,2016. The financial statement upto the year ended on march 31, 2017, were prepared in accordance with the accounting standards notified under the companies (Accounting Standards) Rules, 2006, and other relevant provisions of the Act, considered as the "Previous GAAP. The financial statements for the year ended March 31, 2017, and opening Balance Sheet as on April 1, 2016, have been restated in accordance with the Ind AS recognition and measurement principles.

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First time Adoption of, Indian Accounting Standards, Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented except exemptions availed by the company, Accordingly, the company has prepared financial statements which comply with Ind AS for the year ended March 31, 2018, together with the comparative information as on and for the year ended march 31, 2017, and the opening Ind AS Balance Sheet as on April 1, 2016, the date of transition to Ind AS'

In preparing these Ind AS financial statements, the company has availed certain exemptions and exceptions in accordance with Ind AS 101 , as explained below:

**A. Optional exemptions from retrospective application. I. Deemed cost for property, plant and equipment and intangible assets.** The Company has elected to measure all its property, plant and equipment and intangible assets of the previous GAAP carrying amounts as its deemed cost on the date of transition to Ind AS.

**B. Mandatory Exceptions from retrospective application.**

**I. Estimates**

The company has assessed the estimates made under the Previous GAAP financial statements, and concluded that there is no necessity to revise the estimates Under Ind AS, as there is no objective evidence of any error in those estimates. However estimates that are required under Ind AS but were not required under Previous GAAP are made by the company for the relevant reporting dates reflecting conditions existing as at the date.

**II. classification and measurement of financial assets**

The company has classified and measured the financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**C. Transition to Ind AS - Reconciliations**

**I. Reconciliation Of Equity**

There were no material differences between the Statement of Equity presented under Ind AS and the previous GAAP.

**II. Reconciliation of Total comprehensive Income**

There were no material differences between the Statement of profit and loss presented under Ind AS and the previous GAAP.

**III. Reconciliation of Cash flows**

There were no material differences between the Statement of cash flow presented under Ind AS and the previous GAAP.

**24 :** Contingent Liabilities not provided for is Rs. Nil

**25 :** All debit and credit balance and accounts squared up during the period are subject to confirmation from respective parties.

**26 :** In the opinion of the Board of Directors, Current Asset, Non - Current Assets are approx. of the value at which these are stated in the balance sheet, if realized in the ordinary course of business. Adequate provisions have been made for all known Current and Non Current Liabilities and Provisions are not in excess of the amount reasonably necessary.

**27 :** Previous years' figures have been reallocated / restated / rearranged / regrouped wherever necessary.

| <b>28 : Payment to Auditors</b> | <b>2017-18</b>  | <b>2016-17</b>  |
|---------------------------------|-----------------|-----------------|
| A. For Statutory Audit          | 20,000/-        | 20,000/-        |
| B. For Tax Audit                | -               | -               |
| C. For Consulting Fees          | -               | -               |
| D. For Cost Audit Fees          | -               | -               |
| C. For VAT Audit Fees           | -               | -               |
|                                 | <b>20,000/-</b> | <b>20,000/-</b> |

**29 : RELATED PARTY DISCLOSURES :**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below :

**(I) List of Related Parties where control exists and Related Parties with whom transactions have been taken place and relationships :**

| <b>No.</b> | <b>Name of Related Party</b>  | <b>Relationship</b>   |
|------------|-------------------------------|---|
| 1          | KGN Greens Limited            | Subsidiary Company  |
| 2          | KGN Proteins Limited          | Subsidiary Company  |
| 3          | KGN Bio-Tech Limited          | Subsidiary Company  |
| 4          | KGN Oil & Gas Private Limited | Subsidiary Company  |
| 5          | KGN Industries Limited        | Enterprise over which Key Managerial Personnel are able to exercise significant influence |
| 6          | Ismail Gulmohammed Memon      | Chairman  |
| 7          | Babulal Jethalal Hirani       | Managing Director   |
| 8          | Mohsin Ismail Memon           | Director  |

**(II) Transaction during the year with Related Parties :**

| <b>No.</b> | <b>Name of Related Party</b>  | <b>Nature of Transaction</b> | <b>Transaction Amount</b> | <b>Closing Balance</b> |
|------------|-------------------------------|------------------------------|---------------------------|------------------------|
| 1          | KGN Greens Limited            | Loans Given                  | 0                         | INR 605,317            |
| 2          | KGN Proteins Limited          | Loans Given                  | 0                         | INR 680,317            |
| 3          | KGN Bio-Tech Limited          | Repayment of Loan Given      | 0                         | INR 59,006,627         |
| 4          | KGN Oil & Gas Private Limited | Loans Given                  | 0                         | INR 12,519,328         |
| 5          | KGN Industries Limited        | Repayment of Loan Taken      | INR 648,476               | INR 137,567,699        |

**The Accompanying notes are an Integral Part of Financial Statements**

As per our Report of even date

**For Kamlesh Bhojani & Associates**  
Chartered Accountants

For and on behalf of the Board of Directors

**Kamlesh Bhojani**  
Proprietor  
M. No. 119808  
FRN. : 127505W

**Ismail Memon**  
Chairman  
DIN : 00209507

**Babulal J Hirani**  
Managing Director  
DIN : 02362983

**Janki Vaghela**  
Director  
DIN : 03050746

**Date : 26.05.2018**  
**Place : Ahmedabad**

**Date : 26.05.2018**  
**Place : Mumbai**

**INDEPENDENT AUDITORS' REPORT**

To,  
The Members of,  
**KGN ENTERPRISES LIMITED,**

**Report on the Consolidated IND AS Financial Statements**

We have audited the accompanying Consolidated IND AS financial statements of **KGN ENTERPRISES LIMITED** ("the Company), and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated statement of Profit & Loss and Consolidated Cash Flow Statement for the year ended and a summary of Significant accounting policies and other explanatory information.

**Management's Responsibility for the consolidated IND AS 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 consolidated IND AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 consolidated IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated IND AS financial statements based on our audit. We conducted our audit in accordance with auditing standards issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated IND AS financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated IND AS financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated IND AS financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated IND AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the IND AS financial statements/ consolidated IND AS financial statements of the subsidiaries and associates as noted below, the consolidated IND AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as on 31st March, 2018;
- b) In the case of the Consolidated Profit & Loss Account Statement Balance, of the profit of the Group for the year ended on that date and;
- c) In the case of the Consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For Kamlesh Bhojani & Associates**  
**Chartered Accountants**

**Kamlesh Bhojani**  
**Proprietor**  
**M. No. 119808**  
**FRN. : 127505W**

**Date : 26.05.2018**  
**Place : Ahmedabad**



CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH , 2018

(Amount in Rs.)

| Particulars                           | Note No. | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---------------------------------------|----------|------------------------|------------------------|-----------------------|
| <b>ASSETS :</b>                       |          |                        |                        |                       |
| <b>Non-Current Assets:</b>            |          |                        |                        |                       |
| Property, Plants & Equipments         | 1        | 457,348,166            | 457,348,166            | 457,301,166           |
| Capital Work-In-Progress              | 1        | 161,269,911            | 161,269,911            | 161,269,911           |
| <b>Financial Assets:</b>              |          |                        |                        |                       |
| - Investments                         | 2        | 55,000                 | 55,000                 | 55,000                |
| - Loans                               | 3        | 3,179,207              | 3,179,207              | 9,322,797             |
| <b>Total Non-Current Assets</b>       |          | <b>621,852,284</b>     | <b>621,852,283</b>     | <b>627,948,874</b>    |
| <b>Current Assets</b>                 |          |                        |                        |                       |
| Inventories                           | 4        | 188,821                | 188,821                | 188,821               |
| <b>Financial Assets</b>               |          |                        |                        |                       |
| - Trade Receivables                   | 5        | 179,468,903            | 179,468,903            | 179,545,226           |
| - Cash and Cash Equivalents           | 6        | 2,510,998              | 2,425,370              | 6,374,661             |
| - Loans                               | 7        | -                      | -                      | -                     |
| Other Current Assets                  | 8        | 49,012,598             | 48,063,050             | 40,211,575            |
| <b>Total Current Assets</b>           |          | <b>231,181,320</b>     | <b>230,146,144</b>     | <b>226,320,283</b>    |
| <b>Total Assets</b>                   |          | <b>853,033,605</b>     | <b>851,998,428</b>     | <b>854,269,157</b>    |
| <b>EQUITY AND LIABILITIES:</b>        |          |                        |                        |                       |
| <b>Equity:</b>                        |          |                        |                        |                       |
| Equity Share Capital                  | 9        | 204,700,000            | 204,700,000            | 204,700,000           |
| Other Equity                          | 10       | 493,670,203            | 493,341,324            | 493,028,411           |
| <b>Total Equity</b>                   |          | <b>698,370,203</b>     | <b>698,041,324</b>     | <b>697,728,411</b>    |
| <b>Liabilities:</b>                   |          |                        |                        |                       |
| <b>Non-Current Liabilities:</b>       |          |                        |                        |                       |
| <b>Financial Liabilities</b>          |          |                        |                        |                       |
| - Borrowings                          | 11       | 137,977,949            | 138,226,175            | 141,805,978           |
| - Other Financial Liabilities         |          | -                      | -                      | -                     |
| Provisions                            | 12       | 2,358,429              | 2,287,968              | 2,287,968             |
| Deferred Tax Liabilities (net)        |          | 2,118,994              | 2,118,994              | 2,118,994             |
| Other Non-Current Liabilities         |          | -                      | -                      | -                     |
| <b>Total Non-Current Liabilities</b>  |          | <b>142,455,372</b>     | <b>142,633,137</b>     | <b>146,212,940</b>    |
| <b>Current Liabilities:</b>           |          |                        |                        |                       |
| <b>Financial Liabilities</b>          |          |                        |                        |                       |
| - Borrowings                          | 13       | 1,387,676              | 478,025                | 108,987               |
| - Trade Payables                      | 14       | 10,533,085             | 10,822,909             | 10,607,984            |
| - Other Financial Liabilities         |          | -                      | -                      | -                     |
| Provisions                            | 15       | 175,067                | 103,384                | 358,606               |
| Other Current Liabilities             | 16       | 112,202                | -80,351                | -747,772              |
| <b>Total Current Liabilities</b>      |          | <b>12,208,030</b>      | <b>11,323,967</b>      | <b>10,327,805</b>     |
| <b>Total Equity &amp; Liabilities</b> |          | <b>853,033,605</b>     | <b>851,998,428</b>     | <b>854,269,157</b>    |

Significant Accounting Policies

Notes to the Financial Statements 1 to 29

The Accompanying notes are an Integral Part of Financial Statements

As per our Report of even date

For Kamlesh Bhojani & Associates  
Chartered Accountants

For and on behalf of the Board of Directors

**Kamlesh Bhojani**  
Proprietor  
M. No. 119808  
FRN. : 127505W

**Ismail Memon**  
Chairman  
DIN : 00209507

**Babulal J Hirani**  
Managing Director  
DIN : 02362983

**Janki Vaghela**  
Director  
DIN : 03050746

Date : 26.05.2018  
Place : Ahmedabad

Date : 26.05.2018  
Place : Mumbai

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018

(Amount in Rs.)

| Particulars   |    | 2016-2017        | 2015-2016        |
|---|----|------------------|------------------|
| <b>INCOME:</b>  |    |                  |                  |
| Revenue From Operations                                 | 17 | -                | -                |
| Other Income  | 18 | 1,358,904        | 1,185,930        |
| <b>Total Income</b>                                     |    | <b>1,358,904</b> | <b>1,185,930</b> |
| <b>EXPENDITURE :</b>                                    |    |                  |                  |
| Cost of Material Consumed                               |    | -                | -                |
| Changes in Inventories of Finished Goods                |    | -                | -                |
| Work-In-Progress and Stock-in-Trade                     |    | -                | -                |
| Employee Benefits Expense                               | 19 | 416,995          | 247,266          |
| Finance Costs   | 20 | 35,685           | 23,178           |
| Depreciation and Amortization Expense                   | 21 | -                | -                |
| Other Expenses  | 22 | 430,277          | 520,189          |
| <b>Total Expenses</b>                                   |    | <b>882,957</b>   | <b>790,633</b>   |
| <b>Profit Before Tax</b>                                |    | <b>475,947</b>   | <b>395,297</b>   |
| Tax Expense:  |    |                  |                  |
| - Current Tax   |    | 147,067          | 82,384           |
| - Deferred Tax  |    | -                | -                |
| - Excess Provision of Income Tax for Earlier Years      |    | -                | -                |
| <b>Profit for the Year</b>                              |    | <b>328,880</b>   | <b>312,913</b>   |
| Earnings per Equity Share of Face Value of Rs. 10 each: |    |                  |                  |
| Basic (in Rs.)  |    | 0.02             | 0.02             |
| Diluted (in Rs.)  |    | 0.02             | 0.02             |

**Significant Accounting Policies**

**Notes to the Financial Statements**

**1 to 29**

**The Accompanying notes are an Integral Part of Financial Statements**

As per our Report of even date

**For Kamlesh Bhojani & Associates**  
Chartered Accountants

For and on behalf of the Board of Directors

**Kamlesh Bhojani**  
Proprietor  
M. No. 119808  
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**Ismail Memon**  
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**Babulal J Hirani**  
Managing Director  
DIN : 02362983

**Janki Vaghela**  
Director  
DIN : 03050746

**Date : 26.05.2018**  
**Place : Ahmedabad**

**Date : 26.05.2018**  
**Place : Mumbai**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 2017-2018

(Amount in Rs.)

| Particulars   | 2017-2018        | 2016-2017         |
|---|------------------|-------------------|
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>            |                  |                   |
| Net Profit Before Tax as per Statement of Profit and Loss | 475,947          | 395,297           |
| <b>Adjustment For:</b>                                    |                  |                   |
| Depreciation and Amortisation Expenses                    | -                | -                 |
| Finance Cost  | 35,685           | 23,178            |
| Interest on Fixed Deposits                                | -240,283         | -387,025          |
| <b>Operating Profit before Working Capital Changes</b>    | <b>271,349</b>   | <b>31,450</b>     |
| <b>Adjustment For:</b>                                    |                  |                   |
| (Increase)/Decrease in Trade Receivable                   | -                | 76,323            |
| (Increase)/Decrease in Inventories                        | -                | -                 |
| (Increase)/Decrease in Other Current Assets               | -949,548         | -2,187,391        |
| Increase/(Decrease) in Trade Payable                      | -289,824         | 214,925           |
| Increase/(Decrease) in Other Current Liabilities          | 192,553          | 667,421           |
| Increase/(Decrease) in Provisions                         | 142,144          | -255,222          |
| <b>Net Changes in Working Capital</b>                     | <b>-904,675</b>  | <b>-1,483,944</b> |
| <b>Cash Generated From Operations</b>                     | <b>-633,326</b>  | <b>-1,452,494</b> |
| Taxes Paid  | 147,067          | 82,384            |
| <b>Net Cash Flow from Operating Activities</b>            | <b>-780,393</b>  | <b>-1,534,878</b> |
| <b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>            |                  |                   |
| Purchase of Property, Plants & Equipments                 | -                | -47,000           |
| Interest Received   | 240,283          | 387,025           |
| Change in Current Advances                                | -                | -5,664,084        |
| Change in Non Current Advances                            | -                | 6,143,590         |
| <b>Net Cash Flow from Investing Activities</b>            | <b>240,283</b>   | <b>819,531</b>    |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES:</b>            |                  |                   |
| Interest Paid   | -35,685          | -23,178           |
| Change in Current Financial Liabilities                   | 909,651          | 369,038           |
| Change in Non Current Financial Liabilities               | -248,226         | -3,579,803        |
| <b>Net Cash Flow from Financing Activities</b>            | <b>625,740</b>   | <b>-3,233,943</b> |
| <b>Net Cash flow (A+B+C)</b>                              | <b>85,627</b>    | <b>-3,949,290</b> |
| Opening Balance of Cash & Cash Equivalents                | 2,425,370        | 6,374,661         |
| <b>Closing Balance of Cash &amp; Cash Equivalents</b>     | <b>2,510,998</b> | <b>2,425,370</b>  |

As per our Report of even date

**For Kamlesh Bhojani & Associates**  
Chartered Accountants

**Kamlesh Bhojani**  
Proprietor  
M. No. 119808  
FRN. : 127505W

**Date : 26.05.2018**  
**Place : Ahmedabad**

For and on behalf of the Board of Directors

**Ismail Memon**  
Chairman  
DIN : 00209507

**Babulal J Hirani**  
Managing Director  
DIN : 02362983

**Janki Vaghela**  
Director  
DIN : 03050746

**Date : 26.05.2018**  
**Place : Mumbai**

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

1. PROPERTY, PLANTS & EQUIPMENTS, CAPITAL WORK-IN-PROGRESS :

|                                 | Gross Block                   |                      |  |                            |                               |                               | Accumulated Depreciation         |                               |              |                               |                               | Net Block                     |                               |                              |
|---------------------------------|-------------------------------|----------------------|--|----------------------------|-------------------------------|-------------------------------|----------------------------------|-------------------------------|--------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------|
|                                 | Balance as at 1st April, 2017 | Addition/ (Disposal) | Acquired through business combinations | Revaluation/ (Impairments) | Balance as at 31st March 2017 | Balance as at 1st April, 2018 | Depreciation for the year charge | Adjustment due to revaluation | On disposals | Balance as at 31st March 2018 | Balance as at 31st March 2017 | Balance as at 31st March 2018 | Balance as at 31st March 2017 | Balance as at 1st April 2016 |
| <b>Tangible Assets</b>          |                               |                      |  |                            |                               |                               |                                  |                               |              |                               |                               |                               |                               |                              |
| Land                            | 29,109,327                    | -                    | -                                      | 29,109,327                 | -                             | -                             | -                                | -                             | -            | 29,109,327                    | 29,109,327                    | 29,109,327                    | 29,109,327                    |                              |
| 3.34% Buildings                 | 179,027,454                   | -                    | -                                      | -                          | 179,027,454                   | 35,271,868                    | -                                | -                             | -            | 35,271,868                    | 143,755,586                   | 143,755,586                   | 143,708,586                   |                              |
| 4.75% Plant and Equipment*      | 382,846,678                   | -                    | -                                      | -                          | 382,846,678                   | 108,151,770                   | -                                | -                             | -            | 108,151,770                   | 274,694,908                   | 274,694,908                   | 274,694,908                   |                              |
| 6.33% Furniture and Fixtures    | 6,419,919                     | -                    | -                                      | -                          | 6,419,919                     | 2,727,981                     | -                                | -                             | -            | 2,727,981                     | 3,691,938                     | 3,691,938                     | 3,691,938                     |                              |
| 9.50% Vehicles                  | 2,070,913                     | -                    | -                                      | -                          | 2,070,913                     | 778,298                       | -                                | -                             | -            | 778,298                       | 1,292,615                     | 1,292,615                     | 1,292,615                     |                              |
| 4.75% Office equipment          | 4,695,383                     | -                    | -                                      | -                          | 4,695,383                     | 521,576                       | -                                | -                             | -            | 521,576                       | 4,173,807                     | 4,173,807                     | 4,173,807                     |                              |
| 100.00% Data Package            | 953,400                       | -                    | -                                      | -                          | 953,400                       | 953,400                       | -                                | -                             | -            | 953,400                       | -                             | -                             | -                             |                              |
| 16.21% Computers                | 857,809                       | -                    | -                                      | -                          | 857,809                       | 227,824                       | -                                | -                             | -            | 227,824                       | 629,985                       | 629,985                       | 629,985                       |                              |
| <b>Total</b>                    | <b>605,980,883</b>            | -                    | -                                      | -                          | <b>605,980,883</b>            | <b>148,632,717</b>            | -                                | -                             | -            | <b>148,632,717</b>            | <b>457,348,166</b>            | <b>457,348,166</b>            | <b>457,301,166</b>            |                              |
| <b>Capital Work-in-Progress</b> |                               |                      |  |                            |                               |                               |                                  |                               |              |                               |                               |                               |                               |                              |
| Capital Work-in-Progress        | 161,269,911                   | -                    | -                                      | -                          | 161,269,911                   | -                             | -                                | -                             | -            | -                             | 161,269,911                   | 161,269,911                   | 161,269,911                   |                              |
| <b>Total</b>                    | <b>161,269,911</b>            | -                    | -                                      | -                          | <b>161,269,911</b>            | -                             | -                                | -                             | -            | -                             | <b>161,269,911</b>            | <b>161,269,911</b>            | <b>161,269,911</b>            |                              |
| <b>Grand Total</b>              | <b>767,250,794</b>            | -                    | -                                      | -                          | <b>767,250,794</b>            | <b>148,632,717</b>            | -                                | -                             | -            | <b>148,632,717</b>            | <b>618,618,077</b>            | <b>618,618,076</b>            | <b>618,571,077</b>            |                              |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

| Particulars                            | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
| <b>2. NON-CURRENT INVESTMENTS:</b>     |                           |                           |                          |
| <b>OTHER INVESTMENTS:</b>              |                           |                           |                          |
| National Saving Certificate            | 55,000                    | 55,000                    | 55,000                   |
| <b>TOTAL</b>                           | <b>55,000</b>             | <b>55,000</b>             | <b>55,000</b>            |
| <b>3. NON CURRENT LOANS:</b>           |                           |                           |                          |
| <b>Security Deposits:</b>              |                           |                           |                          |
| Unsecured, Considered Good             |                           |                           |                          |
| GEB Security Deposit                   | 2,219,665                 | 2,219,665                 | 2,219,665                |
| CR Gas Agency                          | 2,000                     | 2,000                     | 2,000                    |
| Deposit for Mumbai Office              | -                         | -                         | -                        |
| Vodaphone Deposit                      | -                         | -                         | -                        |
| FDR Against Bank Guarantee for EPCG    | -                         | -                         | 537,818                  |
| FDR Against EPCG                       | 957,542                   | 957,542                   | 6,263,314                |
| Security Deposit For Export            | -                         | -                         | 300,000                  |
| <b>TOTAL</b>                           | <b>3,179,207</b>          | <b>3,179,207</b>          | <b>9,322,797</b>         |
| <b>4. INVENTORIES:</b>                 |                           |                           |                          |
| Stock in hand                          | 188,821                   | 188,821                   | 188,821                  |
| <b>TOTAL</b>                           | <b>188,821</b>            | <b>188,821</b>            | <b>188,821</b>           |
| <b>5. TRADE RECEIVABLE:</b>            |                           |                           |                          |
| <b>(Unsecured and Considered Good)</b> |                           |                           |                          |
| Over Six Months                        | 179,468,903               | 179,468,903               | 179,545,226              |
| Other                                  | -                         | -                         | -                        |
| <b>TOTAL</b>                           | <b>179,468,903</b>        | <b>179,468,903</b>        | <b>179,545,226</b>       |
| <b>6. CASH AND CASH EQUIVALENTS:</b>   |                           |                           |                          |
| Cash In Hand & Balances with banks     | 2,510,998                 | 2,425,370                 | 6,374,661                |
| <b>TOTAL</b>                           | <b>2,510,998</b>          | <b>2,425,370</b>          | <b>6,374,661</b>         |
| <b>7. CURRENT LOANS:</b>               |                           |                           |                          |
| Balance With Government Authority      | -                         | -                         | -                        |
| <b>TOTAL</b>                           | <b>-</b>                  | <b>-</b>                  | <b>-</b>                 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

| Particulars                                   | As at             |                   | As at             |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 31st March, 2018  | 31st March, 2017  | 31st March, 2017  | 1st April, 2016   |
| <b>8. OTHER CURRENT ASSETS:</b>               |                   |                   |                   |                   |
| <b>Security Deposit</b>                       |                   |                   |                   |                   |
| - Deposit with Revenue Authority              | 140,000           | 140,000           | 140,000           | 140,000           |
| - Deposit for Sales Tax                       | 60,000            | 60,000            | 60,000            | 60,000            |
| <b>Others</b>                                 |                   |                   |                   |                   |
| - Balance with Government Authority           | 19,036,291        | 19,072,158        | 14,078,074        | 14,078,074        |
| - Service Tax Input Credit                    | 2,640,622         | 2,640,622         | 2,640,622         | 2,640,622         |
| - Duty Drawback Receivable                    | 21,769            | 21,769            | 21,769            | 21,769            |
| - VAT Refund Claim                            | 1,583,873         | 1,583,873         | 1,583,873         | 1,583,873         |
| - Other Advances                              | 670,000           | 670,000           | -                 | -                 |
| - Interest Income Receivable                  | 163,770           | 99,571            | 75,154            | 75,154            |
| - Other Income Receivable                     | 2,184,100         | 2,184,100         | 2,184,100         | 2,184,100         |
| <b>Preoperative Expenses to be Writtenoff</b> | <b>22,512,173</b> | <b>21,590,957</b> | <b>19,427,983</b> | <b>19,427,983</b> |
| <b>TOTAL</b>                                  | <b>49,012,598</b> | <b>48,063,050</b> | <b>40,211,575</b> | <b>40,211,575</b> |

**9. EQUITY SHARE CAPITAL :**

|   | As at 31st March, 2018 |                    | As at 31st March, 2017 |                    | As at 1st April, 2016 |                    |
|---|------------------------|--------------------|------------------------|--------------------|-----------------------|--------------------|
|   | Number                 | Amounts            | Number                 | Amounts            | Number                | Amounts            |
| <b>Authorised Share Capital:</b>  |                        |                    |                        |                    |                       |                    |
| 2,10,00,000 Equity shares of Rs. 10 each<br>(P.Y.: 2,10,00,000 Equity Shares of Rs. 10 each)  | 21,000,000             | 210,000,000        | 21,000,000             | 210,000,000        | 21,000,000            | 210,000,000        |
| 5,00,000 Preference Shares of Rs. 10 each<br>(8% Non-Cumulative Redeemable Preference Shares)<br>(P.Y.: 5,00,000 Preference Shares of Rs. 10 each)  | 500,000                | 5,000,000          | 500,000                | 5,000,000          | 500,000               | 5,000,000          |
|   | <b>21,500,000</b>      | <b>215,000,000</b> | <b>21,500,000</b>      | <b>215,000,000</b> | <b>21,500,000</b>     | <b>215,000,000</b> |
| <b>Issued, Subscribed &amp; Paid up:</b>  |                        |                    |                        |                    |                       |                    |
| 2,04,70,000 Equity Shares of Rs. 10 each<br>(P.Y.: 2,04,70,000 Equity Shares of Rs. 10 each)  | 20,470,000             | 204,700,000        | 20,470,000             | 204,700,000        | 20,470,000            | 204,700,000        |
| 5,00,000 Preference Shares of Rs. 10 each<br>(8% Non-Cumulative Redeemable Preference Shares)*<br>(P.Y.: 5,00,000 Preference Shares of Rs. 10 each) | -                      | -                  | -                      | -                  | -                     | -                  |
| <b>TOTAL</b>  | <b>20,470,000</b>      | <b>204,700,000</b> | <b>20,470,000</b>      | <b>204,700,000</b> | <b>20,470,000</b>     | <b>204,700,000</b> |

**9.1 The Reconciliation of the number of Shares Outstanding is set out below :**

| Particulars                                     | Equity Shares     |                    |
|---|-------------------|--------------------|
|   | Number            | Amounts            |
| Shares outstanding at the beginning of the year | 20,470,000        | 204,700,000        |
| Shares Issued during the year                   | -                 | -                  |
| Shares bought back during the year              | -                 | -                  |
| Shares outstanding at the end of the year       | <b>20,470,000</b> | <b>204,700,000</b> |

**9.2 The details of shareholders holding more than 5% shares :**

| Name of Shareholder            | As at 31st March, 2018 |              | As at 31st March, 2017 |              | As at 1st April, 2016 |              |
|--------------------------------|------------------------|--------------|------------------------|--------------|-----------------------|--------------|
|                                | No. of Shares held     | % of Holding | No. of Shares held     | % of Holding | No. of Shares held    | % of Holding |
| KGN Properties Private Limited | 9,948,800              | 48.60        | 9,948,800              | 48.60        | 9,948,800             | 48.60        |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

| Particulars   | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|---|---------------------------|---------------------------|--------------------------|
| <b>10. OTHER EQUITY:</b>                            |                           |                           |                          |
| <b>A. Capital Reserve:</b>                          |                           |                           |                          |
| Opening Balance                                     | 345,793,125               | 345,793,125               | 345,793,125              |
| (+) Share Warrant Forfeited                         | -                         | -                         | -                        |
|   | <b>345,793,125</b>        | <b>345,793,125</b>        | <b>345,793,125</b>       |
| <b>B. Share Premium</b>                             |                           |                           |                          |
|   | 91,800,000                | 91,800,000                | 91,800,000               |
|   | <b>91,800,000</b>         | <b>91,800,000</b>         | <b>91,800,000</b>        |
| <b>C. Capital Redemption Reserve:</b>               |                           |                           |                          |
| Opening Balance                                     | 5,000,000                 | 5,000,000                 | 5,000,000                |
| (+) Transfer from Retained Earnings                 | -                         | -                         | -                        |
|   | <b>5,000,000</b>          | <b>5,000,000</b>          | <b>5,000,000</b>         |
| <b>D. Retained Earnings:</b>                        |                           |                           |                          |
| Opening Balance                                     | 77,440,081                | 77,127,168                | 76,613,508               |
| (+) Current Year Transfer                           | 328,879                   | 312,913                   | 513,660                  |
| (-) Transfer to Capital Redemption Reserve          | -                         | -                         | -                        |
|   | <b>77,768,960</b>         | <b>77,440,081</b>         | <b>77,127,168</b>        |
| <b>E. Profit &amp; Loss Account(SATIL Division)</b> |                           |                           |                          |
|   | -26,691,882               | -26,691,882               | -26,691,882              |
| <b>TOTAL</b>  | <b>493,670,203</b>        | <b>493,341,324</b>        | <b>493,028,411</b>       |
| <b>11. NON CURRENT BORROWINGS:</b>                  |                           |                           |                          |
| <b>Unsecured:</b>                                   |                           |                           |                          |
| <b>(a) Loans and advances From Related Parties</b>  |                           |                           |                          |
| KGN Industries Limited                              | 137,567,699               | 138,216,175               | 141,795,978              |
| Others  | 410,250                   | 10,000                    | 10,000                   |
| <b>TOTAL</b>  | <b>137,977,949</b>        | <b>138,226,175</b>        | <b>141,805,978</b>       |
| <b>12. NON CURRENT PROVISIONS:</b>                  |                           |                           |                          |
| <b>(a) Others</b>                                   |                           |                           |                          |
| Provision for Income Tax                            | 2,358,429                 | 2,287,968                 | 2,287,968                |
| <b>TOTAL</b>  | <b>2,358,429</b>          | <b>2,287,968</b>          | <b>2,287,968</b>         |
| <b>13. CURRENT BORROWINGS:</b>                      |                           |                           |                          |
| <b>Unsecured:</b>                                   |                           |                           |                          |
| <b>(a) Loans and advances From Related Parties</b>  |                           |                           |                          |
| Farzana Ismail Memon                                | 80,125                    | 80,125                    | 80,125                   |
| Ismail Gulmohmad Memon                              | 1,107,551                 | 197,900                   | 28,862                   |
| Mohsin Ismail Memon                                 | 200,000                   | 200,000                   | -                        |
| <b>TOTAL</b>  | <b>1,387,676</b>          | <b>478,025</b>            | <b>108,987</b>           |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

| Particulars                           | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|---------------------------------------|---------------------------|---------------------------|--------------------------|
| <b>14. TRADE PAYABLE:</b>             |                           |                           |                          |
| Sundry Creditors for Seed             | -                         | -                         | -                        |
| Others                                | 10,533,085                | 10,822,909                | 10,607,984               |
| <b>TOTAL</b>                          | <b>10,533,085</b>         | <b>10,822,909</b>         | <b>10,607,984</b>        |
| <b>15. CURRENT PROVISIONS:</b>        |                           |                           |                          |
| Provision for Salary                  | -                         | -                         | 92,430                   |
| Provision for Audit Fees              | 28,000                    | 28,000                    | 48,000                   |
| Provision for Income Tax A.Y. 2018-19 | 147,067                   | -                         | -                        |
| Provision for Income Tax A.Y. 2017-18 | -                         | 82,384                    | -                        |
| Provision for Income Tax A.Y. 2016-17 | -                         | -                         | 218,176                  |
| Provision for Income Tax              | -                         | (7,000)                   | 0                        |
| <b>TOTAL</b>                          | <b>175,067</b>            | <b>103,384</b>            | <b>358,606</b>           |
| <b>16. OTHER CURRENT LIABILITIES:</b> |                           |                           |                          |
| <b>Duties &amp; Taxes:</b>            |                           |                           |                          |
| - TDS Payable                         | -                         | (3,118)                   | 1,061                    |
| - Service Tax Payable                 | 15,846                    | 15,846                    | 15,846                   |
| - GST                                 | (160)                     | -                         | -                        |
| <b>Other Current Liabilities:</b>     |                           |                           |                          |
| - Professional Tax                    | 31,350                    | 31,350                    | 29,750                   |
| - Sundry Creditors for Projects       | (1,600,000)               | (1,600,000)               | (2,270,000)              |
| - Sundry Creditors for Expense        | 1,665,166                 | 1,475,571                 | 1,475,571                |
| <b>TOTAL</b>                          | <b>112,202</b>            | <b>(80,351)</b>           | <b>(747,772)</b>         |
| <b>Particulars</b>                    |                           | <b>2017-2018</b>          | <b>2016-2017</b>         |
| <b>17. REVENUE FROM OPERATION:</b>    |                           |                           |                          |
| Export sales                          |                           | -                         | -                        |
| Sales                                 |                           | -                         | -                        |
| <b>TOTAL</b>                          |                           | <b>-</b>                  | <b>-</b>                 |
| <b>18. OTHER INCOME:</b>              |                           |                           |                          |
| Interest Income                       |                           | 240,283                   | 387,025                  |
| Other Income                          |                           | 1,118,621                 | 798,905                  |
| <b>TOTAL</b>                          |                           | <b>1,358,904</b>          | <b>1,185,930</b>         |
| <b>19. EMPLOYEE BENEFITS EXPENSE:</b> |                           |                           |                          |
| Salaries and incentives               |                           | 401,995                   | 232,261                  |
| Director Remuneration                 |                           | 15,000                    | 15,000                   |
| Provident Fund Expenses               |                           | -                         | -                        |
| Staff Welfare Expenses                |                           | -                         | 5                        |
| <b>TOTAL</b>                          |                           | <b>416,995</b>            | <b>247,266</b>           |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

| Particulars  | 2017-2018      | 2016-2017      |
|--|----------------|----------------|
| <b>20. FINANCE COST:</b>                           |                |                |
| Bank Charges                                       | 35,685         | 23,178         |
| Interest Expenses                                  | -              | -              |
| <b>TOTAL</b>                                       | <b>35,685</b>  | <b>23,178</b>  |
| <b>21. DEPRICIATION AND AMORTISATION EXPENSES:</b> |                |                |
| Depreciation on Fixed Assets                       | -              | -              |
| <b>TOTAL</b>                                       | <b>-</b>       | <b>-</b>       |
| <b>22. OTHER EXPENSES:</b>                         |                |                |
| <b>MANUFACTURING EXPENSES:</b>                     |                |                |
| Factory Expenses                                   | 10,017         | 6,535          |
| Power & Fuel Expenses                              | 163,505        | 186,726        |
| <b>TOTAL</b>                                       | <b>173,522</b> | <b>193,261</b> |
| <b>ADMINISTRATION EXPENSES:</b>                    |                |                |
| Advertisement Expenses                             | 20,790         | 18,640         |
| Audit Fees Expenses                                | 28,000         | 28,000         |
| Bank Related Charges                               | -              | -              |
| Computer & Printer Expenses                        | -              | 1,356          |
| Conveyance Expenses                                | -4,920         | 1,513          |
| Donation Expenses                                  | -              | -              |
| Electricity Expenses                               | -              | 3,179          |
| Hotel Club & Hospitality Expenses                  | -              | -              |
| Land Tax   | -              | 44,604         |
| Legal & Professional Fees                          | 175,284        | 23,337         |
| Listing Fees A/c.                                  | -              | 119,070        |
| License fees                                       | -              | 500            |
| Medical expense                                    | -              | -              |
| Miscellaneous Expenses                             | -              | 4,811          |
| Income tax expense                                 | -              | 5,664          |
| Office Expenses                                    | -80,968        | 6,310          |
| Petrol Expenses                                    | 5,171          | 3,432          |
| Postage & Courier Expenses                         | 352            | 1,439          |
| Printing & Stationery Expenses                     | 27,703         | 9,885          |
| Registration Fees Expenses                         | -              | -              |
| Kasar Vatav expense                                | -              | -              |
| ROC Expenses                                       | 5,667          | 22,880         |
| Repair & Maintenance expense                       | 5,800          | -              |
| R & T Fees   | 35,400         | -              |
| Security Expenses                                  | -              | -              |
| Swachh Bharat Cess                                 | -              | 362            |
| Telephone & Modam Expenses                         | 33,827         | 23,264         |
| Travelling Expenses                                | 4,650          | 5,907          |
| Vehicle Expenses                                   | -              | 150            |
| Web Development Expenses                           | -              | 2,625          |
| <b>TOTAL</b>                                       | <b>256,755</b> | <b>326,928</b> |
| <b>GRAND TOTAL</b>                                 | <b>430,277</b> | <b>520,189</b> |



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**23 : FIRST TIME ADOPTION OF IND AS:**

The financial statements of the company for the year ended march 31,2018, are the first financials prepared in compliance with Ind AS recognition and measurement principles.The date of transition to Ind AS is April 1,2016. The financial statement upto the year ended on march 31, 2017, were prepared in accordance with the accounting standards notified under the companies (Accounting Standards) Rules, 2006, and other relevant provisions of the Act, considered as the "Previous GAAP". The financial statements for the year ended March 31, 2017, and opening Balance Sheet as on April 1, 2016, have been restated in accordance with the Ind AS recognition and measurement principles.

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First time Adoption of, Indian Accounting Standards, Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented except exemptions availed by the company, Accordingly, the company has prepared financial statements which comply with Ind AS for the year ended March 31, 2018, together with the comparative information as on and for the year ended march 31, 2017, and the opening Ind AS Balance Sheet as on April 1, 2016, the date of transition to Ind AS'

In preparing these Ind AS financial statements, the company has availed certain exemptions and exceptions in accordance with Ind AS 101 , as explained below:

- A. Optional exemptions from retrospective application. I. Deemed cost for property, plant and equipment and intangible assets.** The Company has elected to measure all its property, plant and equipment and intangible assets of the previous GAAP carrying amounts as its deemed cost on the date of transition to Ind AS.
- B. Mandatory Exceptions from retrospective application.**
- I. Estimates**  
The company has assessed the estimates made under the Previous GAAP financial statements, and concluded that there is no necessity to revise the estimates Under Ind AS, as there is no objective evidence of any error in those estimates. However estimates that are required under Ind AS but were not required under Previous GAAP are made by the company for the relevant reporting dates reflecting conditions existing as at the date.
- II. Classification and measurement of financial assets**  
The company has classified and measured the financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.
- C. Transition to Ind AS - Reconciliations**
- I. Reconciliation Of Equity**  
There were no material differences between the Statement of Equity presented under Ind AS and the previous GAAP.
- II. Reconciliation of Total comprehensive Income**  
There were no material differences between the Statement of profit and loss presented under Ind AS and the previous GAAP.
- III. Reconciliation of Cash flows**  
There were no material differences between the Statement of cash flow presented under Ind AS and the previous GAAP.

**24 :** Contingent Liabilities not provided for is ' . Nil

**25 :** All debit and credit balance and accounts squared up during the period are subject to confirmation from respective parties.

**26 :** In the opinion of the Board of Directors, Current Asset, Non - Current Assets are approx. of the value at which these are stated in the balance sheet, if realized in the ordinary course of business. Adequate provisions have been made for all known Current and Non Current Liabilities and Provisions are not in excess of the amount reasonably necessary.

**27 :** Previous years' figures have been reallocated / restated / rearranged / regrouped wherever necessary.

|                                 |                 |                 |
|---------------------------------|-----------------|-----------------|
| <b>28 : Payment to Auditors</b> | <b>2017-18</b>  | <b>2016-17</b>  |
| A. For Statutory Audit          | 28,000/-        | 28,000/-        |
| B. For Tax Audit                | -               | -               |
| C. For Consulting Fees          | -               | -               |
| D. For Cost Audit Fees          | -               | -               |
| C. For VAT Audit Fees           | -               | -               |
|                                 | <b>28,000/-</b> | <b>28,000/-</b> |

**29 : RELATED PARTY DISCLOSURES :**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below :

**(I) List of Related Parties where control exists and Related Parties with whom transactions have been taken place and relationships :**

| No. | Name of Related Party         | Relationship  |
|-----|-------------------------------|---|
| 1   | KGN Greens Limited            | Subsidiary Company  |
| 2   | KGN Proteins Limited          | Subsidiary Company  |
| 3   | KGN Bio-Tech Limited          | Subsidiary Company  |
| 4   | KGN Oil & Gas Private Limited | Subsidiary Company  |
| 5   | KGN Industries Limited        | Enterprise over which Key Managerial Personnel are able to exercise significant influence |
| 6   | Ismail Gulmohammed Memon      | Chairman  |
| 7   | Babulal Jethalal Hirani       | Managing Director   |
| 8   | Mohsin Ismail Memon           | Director  |

**(II) Transaction during the year with Related Parties :**

| No. | Name of Related Party  | Nature of Transaction   | Transaction Amount | Closing Balance |
|-----|------------------------|-------------------------|--------------------|-----------------|
| 1   | KGN Industries Limited | Repayment of Loan Taken | INR 648,476        | INR 137,567,699 |

**The Accompanying notes are an Integral Part of Financial Statements**

As per our Report of even date

**For Kamlesh Bhojani & Associates**  
Chartered Accountants

For and on behalf of the Board of Directors

**Kamlesh Bhojani**  
Proprietor  
M. No. 119808  
FRN. : 127505W

**Ismail Memon**  
Chairman  
DIN : 00209507

**Babulal J Hirani**  
Managing Director  
DIN : 02362983

**Janki Vaghela**  
Director  
DIN : 03050746

**Date : 26.05.2018**  
**Place : Ahmedabad**

**Date : 26.05.2018**  
**Place : Mumbai**

**FINANCIAL INFORMATION OF SUBSIDIARIES COMPANIES FOR THE F.Y. 2017-2018**

| Name of the Subsidiary              | KGN Bio-tech Limited | KGN Green Limited | KGN Proteins Limited | KGN Oil & Gas Pvt. Limited |
|-------------------------------------|----------------------|-------------------|----------------------|----------------------------|
| Financial Years Ends On             | 31st March, 2018     | 31st March, 2018  | 31st March, 2018     | 31st March, 2018           |
| Share Capital                       | 500,000              | 500,000           | 500,000              | 100,000                    |
| Reserves                            | 192,544              | 114,871           | 121,574              | 110,064                    |
| Borrowings                          | 59,006,627           | -                 | -                    | 12,529,328                 |
| Other Liabilities                   | 497,229              | 133,113           | 257,291              | 10,738,698                 |
| Total Liabilities                   | 59,503,856           | 133,113           | 257,291              | 23,268,026                 |
| Cash & Cash Equivalents             | 72,127               | 72,554            | 128,548              | 40,832                     |
| Loans & Advances                    | -                    | -                 | 750,317              | 2,611,467                  |
| Other Assets                        | 60,124,271           | 675,317           | -                    | 20,825,792                 |
| Total Assets                        | 60,196,400           | 747,871           | 878,865              | 234,78,091                 |
| Turnover                            | 20,450               | 13,983            | 25,480               | 29,359                     |
| Total Income                        | 20,450               | 13,983            | 25,480               | 29,359                     |
| Depreciation & Amortisation Expense | -                    | -                 | -                    | -                          |
| Other Expense                       | 9,966                | 3,881             | 16,327               | 22,864                     |
| Total Expenses                      | 9,966                | 3,881             | 16,327               | 22,864                     |
| Profit before Taxation              | 10,484               | 10,102            | 9,153                | 6,495                      |
| Provision for Taxation              | 3,240                | 3,112             | 2,828                | 2,007                      |
| Profit After Taxation               | 7,244                | 6,980             | 6,325                | 4,488                      |
| Basic (E.P.S.)                      | 0.14                 | 0.14              | 0.13                 | 0.45                       |
| Diluted (E.P.                       | 0.14                 | 0.14              | 0.13                 | 0.45                       |

**On and Behalf of the Board of Directors**  
**Babulal J Hirani**  
**Managing Director**



# VALUE RESEARCH PREMIUM

## KGN ENTERPRISES LIMITED

Regd. Office: B- 15, Hirnen Shopping Centre Co. Op. Hsg. Society Limited, Near City Centre,  
S.V Road, Goregaon (West), Mumbai – 400062.

Tel: +91 – 22-6654 1101  
Website : www.kgnenterprises.com

E-mail : info@kgnenterprises.com  
CIN : L45201MH1994PLC204203

### PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the  
Companies (Management and Administration) Rules, 2014]

#### ANNUAL GENERAL MEETING – 29th September, 2018 at 3.15 P.M.

|                         |   |
|-------------------------|---|
| Name of the member(s) : | _____   |
| Registered Address :    | _____   |
| E.Mail Id :             | _____ Folio No./Client Id : _____ DP ID : _____ |

I/We, being the member(s) of KGN ENTERPRISES LIMITED, holding shares of the above named company, hereby appoint:

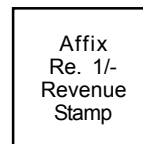
- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him / her
- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him / her
- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him / her

as my / our proxy to attend and vote (on a poll) for me / us and on my /our behalf at the 23rd Annual General Meeting to be held on Saturday, the 29th day of September 2018 at 3:15 P.M.at the YWCA BOMBAY INTERNATIONAL CENTRE 18TH MADAME CAMA ROAD, FORT-MUMBAI-400001 and at any adjournment thereof in respect of such resolutions as are indicated below:

- Resolution No.:**
- To receive, consider and adopt the Audited Balance sheet as on 31st March, 2018 and Profit and Loss Account for the year ended on that date together with the Cash flow Statement along with the Directors Report and Auditors Report thereon.
  - To reappoint Mr. ISMAIL MEMON (DIN: 00209507), Director of the Company who retires by rotation and being eligible offers himself forreappointment.
  - To appoint M/s. Kamlesh Bhojani & Associates FRN 127505W Chartered Accountants, as the Statutory Auditors of the Company and to authorize the Board to fix their remuneration.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2018

Signature of shareholder : \_\_\_\_\_



Signature of Proxy holder(s) : \_\_\_\_\_

#### Notes :-

- This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
- A proxy need not be a Member of the Company.
- In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the proxy form.
- A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
- Appointing a proxy does not prevent a Member from attending the meeting in person if he / she wishes.

FORM FOR UPDATION/REGISTRATION OF E-MAIL ADDRESS

**KGN Enterprises Limited**

B- 15, Hirnen Shopping Centre,  
Co. op. hsg. Society Limited,  
Near City Centre, S.V Road,  
Goregaon (West), Mumbai – 400062.

**Sending of Notices, Annual Reports and Accounts & other documents through Electronic Mode**

Dear Sirs,

I hereby update/register my e-mail address provided below for receiving the Notices, Annual Reports and Accounts and other documents from the Company through electronic mode:-

Email Address : \_\_\_\_\_  
Name of the Sole /First Holder : \_\_\_\_\_  
DP ID/Client ID/ Registered Folio No. : \_\_\_\_\_  
Contact Nos.:Mobile : \_\_\_\_\_  
Landline : \_\_\_\_\_

\_\_\_\_\_  
Signature of the Sole/First Holder

Date : \_\_\_\_\_

**Notes :**

1. The Notices, Annual Reports and Accounts and other documents are sent in electronic mode to those Shareholders who have registered their e-mail addresses with the Company or with the Depositories.
2. This Form can also be downloaded from the Company's website [www.kgnenterprises.com](http://www.kgnenterprises.com).

**ATTENDANCE SLIP**

Regd. Folio No : \_\_\_\_\_

\*\* DP ID : \_\_\_\_\_

\*\* Client ID : \_\_\_\_\_

**24th Annual General Meeting - 29-09-2018**

I certify that I am a member/ proxy for the member of the Company.

I hereby record my presence at the 24th Annual General Meeting of the Company held on Saturday, the 29th September, 2018 at 3:15 P.M. at the YWCA BOMBAY INTERNATIONAL CENTRE 18TH MADAME CAMA ROAD, FORT-MUMBAI-400001.

\_\_\_\_\_  
\*Member's/ Proxy's Name in Block Letter

\_\_\_\_\_  
\*Member's/ Proxy Signature

**Note :**

1. Member/ Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed, at the registration counter.
  2. The copy of the Notice may please be brought to the Meeting Hall.
- \* Strike out whichever is not applicable.  
\*\* Applicable only in case of investors holding shares in Electronic Form.

Book Post

To



*If undelivered, please return to :*

**KGN ENTERPRISES LIMITED**

**Registered Office:**

B- 15, Hirnen Shopping Centre Co. Op. Hsg. Society Limited,  
Near City Centre, S.V Road, Goregaon (West), Mumbai – 400062.