

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 (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, 14th August, 2017, 29th August, 2017, 13th November, 2017, 19th January, 2018 and 14th February, 2018 and the gap between two meetings did not exceed one hundred and twenty days. Last AGM was on 26th 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 2) KGN PROJECTS LIMITED 3) KGN BIO-TECH LIMITED 4) KGN GREEN LIMITED 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:

Directors	Category
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:

Directors	Category
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 :

Financial Year	Location	Date	Day	Time	Type of Meeting	Special Resolution Passed
2017-18	YWCA Bombay International Centre 18th Madame Cama Road, Fort- Mumbai- 400001	26th September, 2017	Monday	12.15 P.M.	AGM	0
2016-17	YWCA Bombay International Centre 18th Madame Cama Road, Fort- Mumbai- 400001	26th September, 2016	Tuesday	10.30 A.M.	AGM	1
2015-16	YWCA Bombay International Centre 18th Madame Cama Road, Fort- Mumbai- 400001	26th September, 2016	Monday	10.30 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 24th ANNUAL GENERAL MEETING:

DATE : 29th SEPTEMBER, 2018
DAY : SATURDAY
TIME : 3:15 P.M.
VENUE : YWCA BOMBAY INTERNATIONAL CENTRE,
 18th 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 APRIL, 2017 TO MARCH, 2018	PRICE PER SHARE		NO.OF SHARES 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
	Total	1256	20470000	100.00

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
	TOTAL	20470000	100.00

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**