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	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 2018	Balance as at 31st March 2017	Balance as at 1st April 2016
	Tangible Assets													
	Land	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*	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
	Total	**589,410,941**	**-**	**-**	**-**	**589,410,941**	**147,679,317**	**-**	**-**	**-**	**147,679,317**	**441,731,624**	**441,731,624**	**441,684,624**
	Capital Work-in-Progress	101,775,299	-	-	-	101,775,299	-	-	-	-	-	101,775,299	101,775,299	101,775,299
	Total	**101,775,299**	**-**	**-**	**-**	**101,775,299**	**-**	**-**	**-**	**-**	**-**	**101,775,299**	**101,775,299**	**101,775,299**
	Grand Total	**691,186,240**	**-**	**-**	**-**	**691,186,240**	**147,679,317**	**-**	**-**	**-**	**147,679,317**	**543,506,923**	**543,506,923**	**543,459,923**

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

(Amount in Rs.)

Particulars	Number of Shares as at 31st March, 2018	Number of Shares as at 31st March, 2017	Number of Shares as at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
2. NON-CURRENT INVESTMENTS :						
TRADE INVESTMENTS				-	-	-
OTHER INVESTMENTS						
In Equity Shares of Subsidiary Companies - UNQUOTED, fully Paid up						
- KGN Bio-Tech Limited	50,000	50,000	50,000	500,000	500,000	500,000
- KGN Green Limited	50,000	50,000	50,000	500,000	500,000	500,000
- KGN Oil & Gas Private Limited	10,000	10,000	10,000	100,000	100,000	100,000
- KGN Proteins Limited	50,000	50,000	50,000	500,000	500,000	500,000
National Saving Certificate				**55,000**	55,000	55,000
TOTAL				**1,655,000**	**1,655,000**	**1,655,000**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
3. NON CURRENT LOANS :			
Loans and advances to Related Parties:			
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	-	-	-
Total	**71,525,955**	**71,525,955**	**71,686,004**
Security Deposits :			
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
Total	**3,179,207**	**3,179,207**	**9,322,797**
TOTAL	**74,705,162**	**74,705,162**	**81,008,801**
4. INVENTORIES :			
Stock in hand	-	-	-
TOTAL	**-**	**-**	**-**

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

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
5. TRADE RECEIVABLE:			
(Unsecured and Considered Good)			
Over Six Months	179,468,903	179,468,903	179,468,903
Other	-	-	-
TOTAL	**179,468,903**	**179,468,903**	**179,468,903**
6. CASH AND CASH EQUIVALENTS:			
Cash In Hand & Balances with banks	2,196,938	2,147,543	5,975,189
TOTAL	**2,196,938**	**2,147,543**	**5,975,189**
7. CURRENT LOANS:			
a. **Loans and advances to Related Parties**			
b. **Security Deposit**			
Unsecured, Considered Good			
c. **Others**			
Unsecured, Considered Good			
Advance Receivable in Cash	-	-	-
Advance for Project	-	-	-
TOTAL	**-**	**-**	**-**
8. OTHER CURRENT ASSETS:			
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
TOTAL	**40,611,044**	**39,661,496**	**32,480,021**

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
Authorised Share Capital:						
2,10,00,000 Equity shares of Rs. 10 each (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 Preferene Shares of Rs. 10 each (8% Non-Cumulative Redeemable Preference Shares) (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
	21,500,000	**215,000,000**	**21,500,000**	**215,000,000**	**21,500,000**	**215,000,000**
Issued, Subscribed & Paid up:						
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
(P.Y.: 2,04,70,000 Equity Shares of Rs. 10 each)						
5,00,000 Preferene Shares of Rs. 10 each (8%Non-Cumulative Redeemable Preference Shares)* (P.Y.: 5,00,000 Preference Shares of ‘ 10 each)	-	-	-	-	-	-
TOTAL	**20,470,000**	**204,700,000**	**20,470,000**	**204,700,000**	**20,470,000**	**204,700,000**

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 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
10. OTHER EQUITY :			
A. Capital Reserve			
Opening Balance	345,793,125	345,793,125	345,793,125
(+) Share Warrant Forfeited	-	-	-
	345,793,125	**345,793,125**	**345,793,125**
B. Share Premium	91,800,000	91,800,000	91,800,000
	91,800,000	**91,800,000**	**91,800,000**
C. Capital Redemption Reserve			
Opening Balance	5,000,000	5,000,000	5,000,000
(+) Transfer from Retained Earnings	-	-	-
	5,000,000	**5,000,000**	**5,000,000**
D. Retained Earnings			
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	-	-	-
Closing Balance	**50,538,141**	**50,234,299**	**49,944,458**
TOTAL	**493,131,266**	**492,827,424**	**492,537,583**
11. NON CURRENT BORROWINGS:			
Unsecured :			
(a) Loans and advances From Related Parties			
KGN Industries Limited	137,567,699	138,216,175	141,795,978
TOTAL	**137,567,699**	**138,216,175**	**141,795,978**
12. NON CURRENT PROVISIONS:			
(a) Others			
Provision for Income Tax	2,355,111	2,287,968	2,287,968
TOTAL	**2,355,111**	**2,287,968**	**2,287,968**
13. CURRENT BORROWINGS:			
Unsecured:			
(a) Loans and advances From Related Parties			
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
TOTAL	**2,673,310**	**1,763,659**	**1,355,987**

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

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
14. TRADE PAYABLE:			
Sundry Creditors for Seed	-	-	-
Others	820,936	710,510	495,585
TOTAL	**820,936**	**710,510**	**495,585**
15. CURRENT PROVISIONS:			
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
TOTAL	**345,465**	**92,066**	**324,930**
16. OTHER CURRENT LIABILITIES:			
Duties & Taxes			
- TDS Payable	-	(3,118)	1,061
- Vat Payable	-	-	-
- GST	(160)	-	-
Other Current Liabilities			
- 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	-	-	-
TOTAL	**(1,568,810)**	**(1,571,768)**	**(1,569,189)**

Particulars	2017-2018	2016-2017
17. REVENUE FROM OPERATION:		
Export sales	-	-
Sales	-	-
TOTAL	**-**	**-**
18. OTHER INCOME:		
Interest Income	240,283	387,025
Excess provision for Income Tax	-	-
Foreign Exchange Gain	-	-
Other Income	1,029,349	713,322
TOTAL	**1,269,632**	**1,100,347**
19. EMPLOYEE BENEFITS EXPENSE:		
Salaries and incentives	401,995	232,261
Director Remunaration	15,000	15,000
Provident Fund Expenses	-	-
Staff Welfare Expenses	-	5
TOTAL	**416,995**	**247,266**

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

(Amount in Rs.)

Particulars	2017-2018	2016-2017
20. FINANCE COST:		
Bank Charges	13,201	5,966
Interest Expenses	-	-
TOTAL	**13,201**	**5,966**
21. DEPRICIATION AND AMORTISATION EXPENSES:		
Depreciation on Fixed Assets	-	-
TOTAL	**-**	-
22. **OTHER EXPENSES**		
MANUFACTURING EXPENSES:		
Diesel Expenses	-	-
Factory Expenses	10,017	6,535
Power & Fuel Expenses	163,505	186,726
TOTAL	**173,522**	**193,261**
ADMINISTRATION EXPENSES:		
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
Total	**226,202**	**291,947**
GRAND TOTAL	**399,724**	**485,208**

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 priniciples.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 unde 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 wilh Ind AS 101, First time Adoption of, Indian Accounting Standards, Ind AS 101 requires that all Ind AS standards and interpretations thot are issued ond effective for the flrst Ind AS financial statements be applied retrospectively and consistently for all financial years presented except exemptions availed by the company, Accordingly, the compony 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 wilh Ind AS 101 , as explained below:

A. **Optional exemptions from retrospective application. I. Deemed cost for property, plont 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,aond 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 whereever necessary.

28 : Payment to Auditors	2017-18	2016-17
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	-	-
	20,000/-	**20,000/-**

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 Gulmohhmed 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 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

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