



KGN Industries Limited

Regd. Office: 23, Vaswani Mansion, 4th Floor,
Dinshaw, Vazecha Road, Opp. K. C. College,
Church Gate, Mumbai - 400 020.

Ph: +91 - 22 - 66541100 / 01 / 02 ♦ Tel: +91 - 22 - 6725 6547
E-mail: info@kgnindustries.com ♦ www.kgnindustries.com
CIN: L23101MH1994PLC206282

October 19, 2018

To,
The Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001

Scrip Code:- 531612

Dear Sir/Madam,

Subject:-Submission of Annual Report for the Financial Year ended 2017-18.

Please find enclosed Annual Report for the Financial Year ended 2017-18 of KGN Industries Limited pursuant to Regulation 34(1) of SEBI (Listing Obligation and Disclosure Requirements), 2015 duly approved and adopted by the members at 24 Annual General Meeting held on September 29, 2018.

Kindly record the same and oblige.

Thanking you,

Yours faithfully,

For KGN Industries Limited

Babulal J Hirani
Director
DIN: 02362983
Encl: As above



24th
ANNUAL REPORT
2017 - 2018

KGN
INDUSTRIES LIMITED

CIN : L23101MH1994PLC206282

KGN INDUSTRIES LIMITED

BOARD OF DIRECTORS :

Mr. Babulal Jethalal Hirani	Director	(DIN: 02362983)
Mr. Arifbhai Ismailbhai Memon	Managing Director	(DIN: 00209693)
Mr. Mohsin Ismailbhai Memon	Director	(DIN: 03110860)
Mr. Ajazahmad Ansari	Director	(DIN: 06961260)
Mr. Aftabahmed Kadri	Director	(DIN: 01738367)
Ms. Janki Ranjitsingh Vaghela	Director	(DIN: 03050746)
Mr. Ismail Memon	Director	(DIN: 00209507)

CHIEF FINANCIAL OFFICER :

Mr. Narendra Chaturbhai Tundiya

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

Info@kgnindustries.com

CORPORATE OFFICE :

504, Samudra Complex, Nr.Classic Gold Hotel,
Off.C.G.Road, Navrangpura, Ahmedabad-380009.
079-26562510/11

Info@kgnindustries.com

REGISTRAR & SHARE TRANSFER AGENT :

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.

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KGN INDUSTRIES 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.kgnindustries.com

E-mail: info@kgnindustries.com

CIN: L23101MH1994PLC206282

NOTICE is hereby given that **TWENTY FOURTH ANNUAL GENERAL MEETING OF KGN INDUSTRIES LIMITED** will be held at YWCA INTERNATIONAL CENTRE 18th MADAME CAMA ROAD, FORT- MUMBAI- 400001 ON SATURDAY AT 29th SEPTEMBER, 2018 AT 02:30 TO TRANSACT FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt stand-alone and consolidated the Audited Balance sheet as on 31st March, 2018 and Profit and Loss Account for the year ended 31st march 2018 on that date together with the Cash flow Statement along with the Directors Report and Auditors Report thereon.
2. To reappoint Mr. Babulal Jethalal Hirani (DIN: 02362983), 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** Chartered accountants, 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 thereunder, 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 the reimbursement of out-of-pocket expenses, if any, to the said Statutory Auditors.”

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

**BABULAL HIRANI
DIRECTOR
DIN: 02362983**

Date : 14/08/2018

Place : Mumbai

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. Kamlesh Shah & Associates, Scutinizer.
7. 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 Purva Sharegistry (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:

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.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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 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:

For Members holding shares in Demat Form and Physical Form	
PAN	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"> 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.
Dividend Bank Details OR Date of Birth (DOB)	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"> 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).

- (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 Industries 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) The Company has appointed Mr. Kamlesh Shah & Associate, Practicing Company Secretary to act as scrutinizer, for conducting the scrutiny of the votes cast. The members desiring to vote through electronic mode may refer to the detailed procedure on evoting given here above. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (xviii) 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.
- (xix) 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.**
- (xx) 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.
- (xxi) 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.

**Details of Directors Seeking Re-Appointment at the Annual General Meeting
[Pursuant to Regulation 36(3) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

Name of the Director	Babulal Jethalal Hirani
Father Name	Jethalal Jivanbhai Hirani
Date of Birth	23/11/1945
Date of Appointment	10/10/2008
Qualification	BA
Specific functional Areas	Banking Sector
Name of the Company(ies) in which he is a director (Public Limited Companies)	1) KGN ENTERPRISES ENTERPRISES LTD 2) KGN BIO-TECH LTD 3) KGN GREEN LTD 4) KGN PROTEINS LTD 5) KGN PROTEINS LTD
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, 2018	Nil

ROUTE MAP FOR ANNUAL GENERAL MEETING VENUE



DIRECTORS REPORT

To,
The members,

Your Directors have the pleasure in presenting the 24TH Annual Report together with the Audited Statement of Accounts for the year ending on 31st March, 2018.

Financial Results:*(Amt. in Rupees)*

Particulars	Financial Year ended			
	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from operations	-	-	-	-
Other Income	3,416,808	5,377,016	3,431,506	5,387,996
Total revenue	3,416,808	5,377,016	3,431,506	5,387,996
Expenditure				
Employee benefits expenses	1,181,204	822,956	1,181,204	822,956
Other expenses	1,799,788	3,953,513	1,805,564	3,956,331
Total expenses	2,980,992	4,776,469	29,86,768	47,79,287
Profit before tax	435,816	600,547	4,44,738	6,08,709
Tax expense :				
Current Tax	134,558	184,923	1,37,315	1,87,444
Deferred Tax	-	-	-	-
Excess provision of income tax	-	-	-	-
Net profit for theyear	301,258	415,624	3,07,423	4,21,265

APPROPRIATIONS:

The Opening Balance of Surplus of Profit and Loss shown under the head Reserves and Surplus was Rs. 46,924,366. During the year under the review, the profit of Rs. 301,258/- was also added. The Closing Balance of Surplus of the Profit and Loss shown under the head Reserves and Surplus was Rs. 47,225,624/-

OPERATIONS:

During the year under the review there was a decrease in total income of 57.39% in comparison to the previous year. The total expenses have decreased by 60.23% and the net profit after tax has decreased by 37.96%.

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 Babulal Jethalal Hirani (DIN: 02362983), 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:

During the year under review, Mr. Narendra Tundey has resigned from the office of Directorship of the Company w.e. from 13th November, 2017 due to personal reasons

Further, Mr. Narendra Tundey has resigned from the office of CFO of the Company w.e. from 09th September, 2017 due to personal reasons

Further, Mr. Sakina Aiyaz Pimpalnerwala has resigned from the office of Directorship of the Company w.e. from 18th January, 2018 due to personal reasons.

Further, Mr. Sandip Gohel has resigned from the Post of Company Secretary of the Company w.e. from 10th October, 2017 due to personal reasons

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. Arifbhai Ismailbhai Memon, Managing Director

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

Your Company has One wholly owned Subsidiary Company i.e. KGN PROJECTS 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 order 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 not engaged in any type of manufacturing activities. It is not generating any type of pollution. Hence, Pollution Control regulations and norms are not applicable to Company.

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 was re-constituted and presently consists of three Directors viz. Mr. Ajazahmed Abulgani Ansari, Ms. Janki Vaghela and Mr. Aftabahmed Kadri.

Mr. Ajazahmed Abulgani Ansari, 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 exchange 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 Auditor 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:- 127505W as the Statutory Auditors of the Company. M/s. Kamlesh Bhojani & Associates Chartered Accounts FRN:- 127505W will hold the office from 24th 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

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 AUDITOR

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

iii. SECRETARIAL AUDITOR 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.

DIRECTORS RESPONSIBILITY 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
- (f) To be followed by the Company and such internal financial controls are adequate and are operating effectively.
- (g) 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. 29 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. i.e. 99994 Shares and 2925000 Shares in KGN Projects Limited and Shares in Asian Logistics Limited respectively.

RISK MANAGEMENT POLICY:

The Company has a structured risk management policy. The Risk management process is designed to safeguard the organization 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.

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT:

Management Discussion & Analysis report for the year under review as stipulated under Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as Annexure – D hereto and forms part of this Report.

CORPORATE GOVERNANCE REPORT:

Your Directors adhere to the requirements set out in Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Report on Corporate Governance as stipulated in the SEBI LODR Regulations is annexed as Annexure–E hereto and forms part of this Report along with Certificate from the Statutory Auditors M/s. Kamlesh Bhojani & Associates Chartered Accounts

FRN:- 127505W, confirming compliance of conditions of Corporate Governance.

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, 2018 is annexed as Annexure--F to this Report.

NUMBER OF BOARD MEETINGS:

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. The schedule of the Board/Committee meetings to be held in the forthcoming financial year is being circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings.

Total 10 Board Meetings were held during the Financial Year 2017-18 on 30th May, 2017, 23rd June, 2017, 08th August, 2017, 29th August, 2017, 09th September, 2017, 26th September, 2017, 10th October, 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.

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 there under 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 chairperson) 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 there under. 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 and the same uploaded on Company's website:

- 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.kgnindustries.com.

APPRECIATION:

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

**For and on behalf of the Directors of the
KGN INDUSTRIES LIMITED**

Date : 14/08/2018
Place : Mumbai

**BABULAL JETHALAL HIRANI
DIRECTOR
DIN: 02362983**

“ANNEXURE - A”**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*(in Rs.)*

No.	Particulars	KGN Projects Limited
1.	Reporting period	April - March
2.	Reporting Currency	INR
3.	Share Capital	1,000,000
4.	Reserves & Surplus	8,34,344
5.	Total Assets	60,57,468
6.	Total Liabilities	42,23,124
7.	Investments	-
8.	Turnover (Total Revenue)	14,698
9.	Profit/ (Loss) Before Taxation	8,922
10.	Provision For Taxation	2,757
11.	Profit/ (Loss) After Taxation	6,165
12.	Proposed Dividend	-
13.	% of Share holding	99.99%

“ANNEXURE - B”**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 2017-18:

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 2017-18:

Mr. Narendra Chaturbhai Tundiya CFO Nil

Mr. Arifbhai Ismailbhai Memon 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	22,25,00,000	1.69	0.002	845	37.60
31.03.2018	22,25,00,000	1.83	0.001	1830	40.71
Increase/(Decrease)	Nil	0.14	No Change	985	3.11
Increase/(Decrease)%	Nil	8.28%	-	8.28%	8.27%

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. 1.56/- on BSE Limited.

“ANNEXURE - C”
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

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

To,
The Members,
KGN INDUSTRIES LIMITED
CIN: L23101MH1994PLC206282

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KGN Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's 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 hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-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 INDUSTRIES LIMITED (CIN: L23101MH1994PLC206282) 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; Except the Company has not filed the Balance Sheet and Annual Returns from the last two years and various certain E-FORMS which are required to filed by the company pursuant to Companies Act,2013. Company has not appointed the Company Secretary and Chief Financial Officer pursuant to Companies Act,2013
- (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 1st day of July 2015 are adopted by the Company by passing requisite Board Resolutions and are complied with.
- (ii) The Listing Agreements are 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 appointed CFO and Company Secretary pursuant to Companies Act,2013. Also, the Company is not regular in making Compliances with Stock Exchanges as per SEBI (LODR),2015 along with the payment of Annual Listing Fees. Company has not given Newspaper Publication and Various Regulations of SEBI LODR,2015 is not Complied by the Company.

There were no 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 : 26th May,2018

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

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

To,
The Members,
KGN KGN INDUSTRIES LIMITED

I report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Ahmedabad
Date : 26th 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 duly.

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 at proper time with Income tax department and all other necessary departments.

Place : Ahmedabad

Date : 26th May,2018

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

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

“ANNEXURE- D”**MANAGEMENT DISCUSSION ANALYSIS REPORT****GLOBAL OVERVIEW :**

For the maintenance of industrial civilization in its current configuration Petroleum is vital to many industries thus is a critical concern for many nations. The petroleum industry encompasses the global processes of exploration, extraction, refining, transporting and marketing petroleum products. The largest volume products of the industry are fuel oil and gasoline (petrol). The industry is usually divided into three major components: upstream, midstream and downstream.

Oil includes crude oil, condensates, natural gas liquids, refinery feed stocks and additives, other hydrocarbons (including emulsified oils, synthetic crude oil) and petroleum products (refinery gas, ethane, LPG, aviation gasoline, motor gasoline, jet fuels, kerosene, gas/diesel oil, heavy fuel oil, naphtha, white spirit, lubricants, bitumen, paraffin waxes and petroleum coke).

INDUSTRIES OVERVIEW :**Indian Oil & Gas Market scenario :**

As an emerging Economy let us analyze in the Indian context and have the review of market in the current years and years ahead India is the world's fourth largest consumer of primary energy. India's tremendously growing energy demand has made the country an energy leader on the global platform with more than 28 billion tones of prognosticated (forecast) reserves. The Government of India's New Exploration Licensing Policy (NELP) launched in 1997-98 has encompassed all the ingredients of a favorable investment climate, fiscal stability, transparency of the rule of law, contract stability, minimal policy induced uncertainties and a stable legal and regulatory framework.

Oil & Gas – Key Developments and Investments :

Indian energy firms have earned honor by getting placed in the 2012 Platts Top 250 Global Energy Company Rankings.

Oil & Gas – Government Initiatives :

India has been very active in Oil & Gas exploration and production activities on the global front and the Government has played vital role in sustaining the country's strategic position. India and Canada have mutually agreed to share efforts in energy sector, particularly exports of Canadian oil and natural gas as well as renewable energy cooperation while Iraq is set to become India's strategic energy partner.

The Indian Government is planning to incentivize energy firms to explore and produce natural gas domestically by extending them similar fiscal incentives which are currently available to only crude oil producers.

Oil & Gas – Road Ahead :

Majorly driven by transportation and industrial sectors, demand for oil is anticipated to rise immensely by 2020 while domestic power and fertilizer industries are projected to drive the demand for natural gas in the country. Furthermore, development of technologies enabling efficient use of fossil fuels coupled with use of renewable energy sources could help in filling the demand-supply gap for Oil & Gas.

CURRENT BUSINESS REVIEW :

KGN Industries Limited is listed on BSE Limited. The Company is in process to increase and develop its business techniques and strategies. The management is in planning to develop the business standards of the Company.

FUTURE OUTLOOK :

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

OPPORTUNITIES THREATS RISKS AND CONCERNS :

Oil and Gas are used in a huge way in the Indian as well as in the global market. It is one of the major sectors which are contributing in the revenue generation all over the world. So there are tremendous opportunities across its value chain and sub sectors.

The Oil and Gas sector has many opportunities but at the same time, some fundamental issues can hinder its progress and thwart the achievement of its growth objectives. Shortages of skilled manpower, technology and equipment in upstream sector and general low oil & gas price regime may throw some critical challenges for the sector. Much higher thrust on research & development is required for proper quality control.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES :

The Company believes that employees are the key to achievement of Company's objectives and strategies. The Company provides to the employees a fair and equitable work environment and support from their peers with a view to develop their capabilities leaving them with the freedom to act and to take responsibilities for the task assigned. We provide our employees outstanding career development opportunities and reward to the staff for their good performance and loyalty to the organization. In order to meet the industries demand, we have appointed experienced professionals in Technical as well as Finance Departments. Apart from that every year, we hire new pool of latent from reputed petroleum institute through campus selection process.

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

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, 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.

**For and on behalf of the Board of Directors of
KGN INDUSTRIES LIMITED**

**BABULAL JETHALAL HIRANI
DIRECTOR
DIN: 02362983**

**Date : 14th August, 2018
Place : Mumbai**

“ANNEXURE- E”

REPORT ON CORPORATE GOVERNANCE

The Equity shares of the Company are listed on the BSE 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 INDUSTRIES 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 behavior 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.

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 :

An Active, informed and independent Board is a pre-requisite for strong and effective corporate governance. The Board plays a crucial role in overseeing how the management safeguards the interests of all the stakeholders. The Board critically evaluates strategic direction of the Company and exercises appropriate control to ensure that the business of the Company is conducted in the best interests of the shareholders and society at large. The Board is duly supported by the Managing Director and Senior Management Personnel in ensuring effective functioning of the Company.

a) Composition and Category of Directors :

The Company has a balanced and diverse Board with Non-executive Chairman. As on 31st March, 2018 there were 7 Directors on its Board. The number of Non-Executive Directors is more than one-half of the total number of directors. The Company has 1 women Director. Mr. Babulal Jethalal Hirani is the Director of the Company. 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 Industries 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. Babulal J. Hirani	Non Executive	5	0	0
Mr. Arifbhai Memon	Executive Promoter Managing Director	7	0	0
Mr. Ismail Memon	Non-Executive Promoter	9	0	0
Mr. Mohsin Memon	Non-Executive	6	0	0
Mr. Aftab Ahmed Kadri	Independent Non Executive	1	1	2
Mr. Ajazahmed Ansari	Independent Non Executive	2	2	1
Ms. Janki Ranjitsingh Vaghela	Independent Non Executive	1	0	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 10 Board Meetings were held during the Financial Year 2017-18 on 30th May, 2017, 23rd June, 2017, 08th August, 2017, 29th August, 2017, 09th September, 2017, 26th September, 2017, 10th October, 2017 and 13th November, 2017 and 19th January, 2018 and 14th February, 2018 and the gap between two meetings did not exceed one hundred and twenty days. The details of attendance of Directors at the Board Meetings and at the last Annual General Meeting are as under:

Name of Director	Number of Board Meetings held and attended FY 2017-18		Attended Last AGM
	Held during the tenure	Attended	
Mr. Babulal J. Hirani	10	10	Yes
Mr. Arifbhai Memon	10	10	Yes
Mr. Narendra Tundiya	7	7	Yes
Mr. Ismail Memon	10	10	No
Mr. Mohsin Memon	10	10	No
Mr. Aftab Ahmed Kadri	10	10	Yes
Mr. Ajazahmed Ansari	10	10	Yes
Mrs. Janki Ranjitsingh Vaghela	10	10	No
Ms. Sakina Pimpalnerwala	6	6	Yes

Details of Director seeking re-appointment :

At the ensuing Annual General Meeting, Mr. BABULAL JETHALAL HIRANI, retire by rotation and being eligible offer himself for re- appointment.

The brief resume, experience, functional expertise and membership on various Board and committees of the Director 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	BABULAL JETHALAL HIRANI
Father Name	Mr Jethalal Jivanbhai Hirani
Date of Birth	23/11/1945
Date of Appointment	10/10/2008
Qualification	BA
Specific functional Areas	Banking Sector
Name of the Company(ies) in which he is a director (Public Limited Companies)	1. KGN ENTERPRISES ENTERPRISES LTD 2. KGN BIO-TECH LTD 3. KGN GREEN LTD 4. KGN PROTEINS LTD 5. KGN PROTEINS LTD
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,2018	Nil

3. AUDIT COMMITTEE :

As on date the Board has established the following Committees:

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

4. 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:

Presently the composition of the Audit Committee is as under:

Directors	Category
Mr. Ajazahmed Abdulgani Ansari (Chairman)	Independent Non-executive
Mr. Aftabahmed Kadri	Independent Non-executive
Ms. Janki 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
4. judgement by the management, significant adjustments made in the financial statements, etc.,
5. Review of the Management Discussion & Analysis of financial and operational performances,
6. Review of inter corporate loans and advances,
7. Review the adequacy and effectiveness of the internal financial controls and systems
8. Review and discuss with the management the major financial risk exposures and steps taken to monitor and control it,
9. Overseeing and review the functioning of vigil mechanism [implemented by the Company as Whistle Blower Policy],
10. Review the scope of Internal Auditor and Audit Plan to ensure reasonable coverage of difference areas of operations,
11. Review, discuss and monitor the observations reported by Statutory / Internal Auditor and its compliance,
12. Review and recommend to the Board the appointment / reappointment of the Statutory Auditor and Cost Auditor after due consideration of their independence and effectiveness,
13. Approving the payment towards additional services rendered by the Statutory Auditor except those enumerated in section 144 of the Act,
14. Recommending to the Board the remuneration of Statutory and Cost Auditor,
15. Approval of appointment, removal and terms of remuneration of Internal Auditor and
16. 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.
17. 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 Company 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, 14th August, 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:

At present consist of following members of the Committee:

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:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director,
- To recommend to the Board a policy relating to remuneration of the Directors, Key Managerial Personnel and other employees,
- To formulate criteria for evaluation of Independent Directors and the Board,
- To devise a policy on board diversity,
- To review the succession planning of the Board of Directors and Senior Management Employees and
- 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:

Two Meeting of Nomination and Remuneration Committee was held during financial year 2017-18 on 19th October, 2017 & 27th October, 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 Stakeholders' Relationship Committee were held during financial year 2017-18 on 30th May, 2017, 13th August, 2017, 10th November, 2017 and 13th February, 2018 and all members were present at the meetings.

D. NAME & DESIGNATION OF THE COMPLIANCE OFFICER:

Mr. Arif Memon is the compliance officer for KGN Industries 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 : Nil

No. of complaints resolved : Nil

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	Tuesday	11.30 AM	AGM	3
2016-17	YWCA Bombay International Centre 18th Madame Cama Road, Fort-Mumbai- 400001	26th September, 2016	Monday	11.00 A.M.	AGM	0
2015-16	YWCA Bombay International Centre 18th Madame Cama Road, Fort-Mumbai- 400001	26th September, 2016	Monday	11.00 A.M.	AGM	0

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 Business Standard (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 : 02:30 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: BSE Limited

e) STOCK CODE : BSE Limited : 531612

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

INE196C01022

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	1.78	1.63	77,579
May, 2017	2.32	1.75	3,80,442
June, 2017	2.76	2.34	2,13,483
July, 2017	2.33	1.71	41,454
August, 2017	1.68	1.64	13,986
September, 2017	1.64	1.64	2,681
October, 2017	1.65	1.53	22,871
November, 2017	2.05	1.50	88,660
December, 2017	2.33	1.94	2,01,847
January, 2018	2.00	1.83	76,267
February, 2018	1.97	1.83	26,449
March, 2018	1.88	1.80	2,507

(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:**

No.	Range of Holding	No. of Shareholders	No. of Shares	% to Capital
1.	Up to 500	1645	222709	0.1001
2.	501 to 1000	368	326787	0.1469
3.	1001 to 2000	251	406066	0.1825
4.	2001 to 3000	121	325768	0.1464
5.	3001 to 4000	68	255560	0.1149
6.	4001 to 5000	152	743368	0.3341
7.	5001 to 10000	328	2830285	1.2720
8.	Above 10000	763	217389457	97.7031
	Total	3696	222500000	100.00

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

No.	Category	No. Of Shares	Percentage
1.	Indian Public	78566174	35.3106
2.	Hindu Undivided Families	4847029	2.1784
3.	NRIs / OCBs	243090	0.11
4.	Mutual Funds and UTI	0	0
5.	Banks, Financial Institutions and Insurance Companies (Central Institutions)	0	0
6.	Clearing Member	2500602	1.1239
7.	Corporate Bodies	6260762	2.81
8.	Indian Promoters	119961736	53.92
9.	Foreign Institution Investors	10120607	4.55
	TOTAL	222500000	100.00

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

Percentage of Shares held in Physical form : 17.21%

Percentage of Shares held in Electronic form : 82.79%

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

info@kgnindustries.com

www.kgnindustries.com

For and on behalf of the Board of Directors of
KGN INDUSTRIES LIMITED

BABULAL JETHALAL HIRANI
DIRECTOR
DIN: 02362983

Date : 14/08/2018

Place : Mumbai

DECLARATION

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

**For and on behalf of the Board of Directors of
KGN INDUSTRIES LIMITED**

Date : 14/08/2018
Place : Mumbai

BABULAL JETHALAL HIRANI
DIRECTOR
DIN: 02362983

CEO/CFO CERTIFICATION

To,
The Board of Director
KGN Industries Limited,
Mumbai

I, Mr. Arif I Memon, Managing Director of KGN Industries 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 materiality untrue statement or omit any material fact or contain statement 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.
- d) 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.
- e) 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.
- f) We further declare that all Board Members and Senior Management have affirmed compliance with the Code of Conduct for the current year.

Date : 14/08/2018
Place : Mumbai

Arif I Memon
Managing Director

A. Category Wise Shareholding									
Category Of Shareholders	No Of Shares held at the beginning of				No Of Shares held at the end of year				% Change
	31/03/2017				31/03/2018				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individuals/ HUF	917341	0	917341	4.48	917341	0	917341	4.48	0.00
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	9948800	0	9948800	48.60	9948800	0	9948800	48.60	0.00
(e) Banks / FI	0	0	0	0	0	0	0	0	0
(f) Any Other....									
* DIRECTORS	0	0	0	0	0	0	0	0	0
* DIRECTORS RELATIVES	0	0	0	0	0	0	0	0	0
* PERSON ACTING IN	0	0	0	0	0	0	0	0	0
Sub Total (A)(1):	10866141	0	10866141	53.08	10866141	0	10866141	53.08	0.00
(2) Foreign									
(a) NRI Individuals	0	0	0	0	0	0	0	0	0
(b) Other Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other....	0	0	0	0	0	0	0	0	0
Sub Total (A)(2):	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	10866141	0	10866141	53.08	10866141	0	10866141	53.08	0.00
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	0	0	0	0	0	0	0	0	0
(b) Banks FI	0	0	0	0	0	0	0	0	0
(c) Central Govt	0	0	0	0	0	0	0	0	0
(d) State Govet(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIIs	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)									
* U.T.I.	0	0	0	0	0	0	0	0	0
* FINANCIAL INSTITUTIONS	0	0	0	0	0	0	0	0	0
* I.D.B.I.	0	0	0	0	0	0	0	0	0
* I.C.I.C.I.	0	0	0	0	0	0	0	0	0
* GOVERMENT COMPANIES	0	0	0	0	0	0	0	0	0
* STATE FINANCIAL	0	0	0	0	0	0	0	0	0
* QUALIFIED FOREIGN	0	0	0	0	0	0	0	0	0
* ANY OTHER	0	0	0	0	0	0	0	0	0
* OTC DEALERS (BODIES	0	0	0	0	0	0	0	0	0
* PRIVATE SECTOR BANKS	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
(a) Bodies Corp.									
(i) Indian	1718995	432500	2151495	10.51	2344057	432500	2776557	13.56	3.05
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding	1372032	233676	1605708	7.84	1408065	233676	1641741	8.02	0.18
(ii) Individual shareholders holding	3375293	32700	3407993	16.65	2668678	32700	2701378	13.20	-3.45
(c) Others (specify)									
* IEPF	0	0	0	0	0	0	0	0	0
* LLP	0	0	0	0	6800	0	6800	0.03	0.03
* FOREIGN NATIONALS	0	0	0	0	0	0	0	0	0
* QUALIFIED FOREIGN	0	0	0	0	0	0	0	0	0
* ALTERNATE INVESTMENT	0	0	0	0	0	0	0	0	0
* N.R.I.	8327	0	8327	0.04	5313	0	5313	0.03	-0.01
* FOREIGN CORPORATE	0	0	0	0	0	0	0	0	0
* TRUST	0	0	0	0	0	0	0	0	0
* HINDU UNDIVIDED FAMILY	677721	0	677721	3.31	669893	0	669893	3.27	-0.04
* EMPLOYEE	0	0	0	0	0	0	0	0	0
* CLEARING MEMBERS	1752615	0	1752615	8.56	1802177	0	1802177	8.80	0.24
* DEPOSITORY RECEIPTS	0	0	0	0	0	0	0	0	0
* OTHER DIRECTORS &	0	0	0	0	0	0	0	0	0
* MARKET MAKERS	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):	8904983	698876	9603859	46.92	8904983	698876	9603859	46.92	0.00
Total Public Shareholding (B) =	8904983	698876	9603859	46.92	8904983	698876	9603859	46.92	0.00
C. TOTSHR held by Custodian for	0	0	0	0	0	0	0	0	0
GrandTotal(A + B + C)	19771124	698876	20470000	100	19771124	698876	20470000	100.00	0.00
Other									

B. Shareholding of Promoters								
SL No.	ShareHolder's Name	ShareHolding at the beginning			ShareHolding at the end of the			
		31/03/2017			31/03/2018			
		No of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbe red to total shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged / Encumbe red to total shares	% change in share holding during the year
1	KGN PROPERTIES	9948800	48.60	0.00	9948800	48.60	0.00	0.00
2	ARIFBHAI	717341	3.50	0.00	717341	3.50	0.00	0.00
3	ISMAIL	200000	0.98	0.00	200000	0.98	0.00	0.00
C. Change in Promoter's Shareholding:								
SL No.	ShareHolder's Name	ShareHolding at the		Cumulative		Type		
		31/03/2017		31/03/2018				
		No of Shares	% of Total Shares of the Company	No. of Shares	% change in share holding during the year			
1	KGN PROPERTIES	9948800	48.60					
	31-03-2018			9948800	48.60			
2	ARIFBHAI	717341	3.50					
	31-03-2018			717341	3.50			
3	ISMAIL	200000	0.98					
	31-03-2018			200000	0.98			
D. Sharedholding Pattern of top ten Shareholders:								
SL No.	ShareHolder's Name	ShareHolding at the		Cumulative		Type		
		31/03/2017		31/03/2018				
		No of Shares	% of Total Shares of the Company	No. of Shares	% change in share holding during the year			
1	ARCADIA SHARE &	1290356	6.30					
	13-10-2017	-1149	-0.01	1289207	6.30	Sell		
	31-03-2018			1289207	6.30			
2	PARIDHI OVERSEAS	721549	3.52					
	31-03-2018			721549	3.52			
3	DELIGHT EXPORTS	586736	2.87					
	31-03-2018			586736	2.87			
4	ASIF ABDUL GANI	428008	2.09					
	22-09-2017	-316750	-1.55	111258	0.54	Sell		
	31-03-2018			111258	0.54			
5	IMRAN SALEEM	302956	1.48					
	22-09-2017	-282650	-1.38	20306	0.10	Sell		
	31-03-2018			20306	0.10			
6	SANJAY D UNAKAR	254838	1.24					
	31-03-2018			254838	1.24			
7	ANUGRAH STOCK &	235340	1.15					
	31-03-2018			235340	1.15			
8	DELIGHT EXPORTS	211000	1.03					
	31-03-2018			211000	1.03			
9	PARIDHI OVERSEAS	201500	0.98					
	31-03-2018			201500	0.98			
10	GRD SECURITIES	149000	0.73					
	31-03-2018			149000	0.73			
11	NIMESH	120813	0.59					
	13-10-2017	-120813	-0.59	0	0.00	Sell		
	01-12-2017	120813	0.59	120813	0.59	Buy		
	31-03-2018			120813	0.59			
12	Coral India Finance	0	0.00					
	22-09-2017	793998	3.88	793998	3.88	Buy		
	31-03-2018			793998	3.88			
E. Sharedholding of Directors and Key Managerial Personnel:								
SL No.	ShareHolder's Name	ShareHolding at the		Cumulative				
		31/03/2017		31/03/2018				

		No of Shares	% of Total Shares of the Company	No. of Shares	% change in share holding during the year	Type
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AUDITORS' CERTIFICATE

To,
The Members
KGN Industries 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 Industries Limited for the year ended 31st March, 2018, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with 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 IND AS 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 INDUSTRIES LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of KGN INDUSTRIES 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
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 INDUSTRIES 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.

Sr. No.	Name of the Party	Relation with the Company	Maximum Outstanding (in Rs.)	Closing Balance As on 31/03/2018 (in Rs.)
1.	KGN Projects Limited	Subsidiary Company	16,11,135/-	16,11,135/-
2.	KGN Enterprises Limited	Associates	13,80,66,175/-	13,75,67,699/-

- (b) The Company has not taken loans, secured or unsecured from the companies or other parties covered in the register maintained u/s 189 of the Companies Act, 2013
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 are 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 45IA 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 31st MARCH, 2018

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS :				
Non-Current Assets:				
Property, Plants & Equipments	1	551,097	551,097	888,692
Capital Work-In-Progress	1	45,783,631	45,783,631	45,783,631
Financial Assets				
- Investments	2	30,259,940	30,259,940	30,259,940
- Loans 3		411,693,770	412,342,246	415,892,647
Total Non-Current Assets		488,288,438	488,936,914	492,824,910
Current Assets:				
Inventories	4	3,229,597	3,229,597	4,562,737
Financial Assets				
- Trade Receivables	5	26,369,349	26,369,349	26,365,212
- Cash and Cash Equivalents	6	6,150,360	4,896,521	3,102,120
- Loans	7	2,707,908	2,564,335	2,625,317
Other Current Assets	8	120,405,889	120,181,069	117,797,330
Total Current Assets		158,863,103	157,240,871	154,452,716
Total Assets		647,151,541	646,177,785	647,277,626
EQUITY AND LIABILITIES:				
Equity:				
Equity Share Capital	9	222,500,000	222,500,000	222,500,000
Other Equity	10	397,225,624	396,924,366	396,508,742
Total Equity		619,725,624	619,424,366	619,008,742
Liabilities:				
Non-Current Liabilities				
Financial Liabilities				
- Borrowings	11	3,500,000	3,500,000	3,500,000
- Other Financial Liabilities		-	-	-
Provisions	12	2,112,063	1,927,140	1,922,414
Deferred Tax Liabilities (net)		882,516	882,516	882,516
Other Non-Current Liabilities		-	-	-
Total Non-Current Liabilities		6,494,579	6,309,656	6,304,930
Current Liabilities:				
Financial Liabilities				
- Borrowings	13	17,173,591	17,267,049	18,521,482
- Trade Payables	14	574,941	287,942	677,017
- Other Financial Liabilities		-	-	-
Provisions	15	778,191	462,023	362,796
Other Current Liabilities	16	2,404,615	2,426,749	2,402,659
Total Current Liabilities		20,931,338	20,443,763	21,963,954
Total Equity & Liabilities		647,151,541	646,177,785	647,277,626

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

Kamlesh Bhojani

Proprietor

M. No. 119808

FRN. : 127505W

For and on behalf of the Board of Directors

Babulal Hirani

Chairman

DIN : 02362983

Arif Memon

Director

DIN : 00209693

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 31st March 2018

		(Amount in Rs.)	
Particulars	Note	2017-2018	2016-2017
INCOME:			
Revenue From Operations	17	-	-
Other Income	18	3,416,808	5,377,016
Total Income		3,416,808	5,377,016
EXPENDITURE:			
Cost of Material Consumed		-	-
Changes in Inventories of Finished Goods Work-In-Progress and Stock-in-Trade		-	1,333,140
Employee Benefits Expense	19	1,181,204	822,956
Finance Costs	20	39,636	18,931
Depreciation and Amortization Expense	21	-	337,595
Other Expenses	22	1,760,152	2,263,847
Total Expenses		2,980,992	4,776,469
Profit Before Tax		435,816	600,547
Tax Expense:			
- Current Tax		134,558	184,923
- Deferred Tax		-	-
- Excess Provision of Income Tax for Earlier Years		-	-
Profit for the Year		301,258	415,624
Earnings per Equity Share of Face Value of Rs. 10 each:			
Basic (in Rs.)		0.001	0.002
Diluted (in Rs.)		0.001	0.002
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**Kamlesh Bhojani**
Proprietor
M. No. 119808
FRN. : 127505W**Date : 26.05.2018**
Place : Ahmedabad**For and on behalf of the Board of Directors****Babulal Hirani**
Chairman
DIN : 02362983**Arif Memon**
Director
DIN : 00209693**Janki Vaghela**
Director
DIN : 03050746**Date : 26.05.2018**
Place : Mumbai

CASH FLOW STATEMENT FOR THE YEAR ENDED 2016-2017

(Amount in Rs.)

Particulars	2016-2017	2015-2016
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax as per Statement of Profit and Loss	435,816	600,547
Adjustment For:		
Depreciation and Amortisation Expenses	-	337,595
Finance Cost	39,636	18,931
Interest on Fixed Deposits	220,348	243,578
Operating Profit before Working Capital Changes	695,800	1,200,651
Adjustment For:		
(Increase)/Decrease in Trade Receivable	-	-4,137
(Increase)/Decrease in Inventories	-	1,333,140
(Increase)/Decrease in Other Current Assets	-224,820	-2,359,738
Increase/(Decrease) in Trade Payable	286,999	-
Increase/(Decrease) in Other Current Liabilities	-22,134	-344,981
Increase/(Decrease) in Provisions	501,091	83,953
Net Changes in Working Capital	541,136	-1,291,763
Cash Generated From Operations	1,236,936	-91,112
Taxes Paid	134,558	184,928
Net Cash Flow from Operating Activities	1,102,378	-276,040
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plants & Equipments	-	-
Interest Received	-220,348	-243,578
Change in Current Advances	-143,573	36,981
Change in Non Current Advances	648,476	3,550,401
Net Cash Flow from Investing Activities	284,555	3,343,803
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest Paid	-39,636	-18,931
Change in Current Financial Liabilities	-93,458	-1,254,433
Change in Non Current Financial Liabilities	-	-
Net Cash Flow from Financing Activities	-133,094	-1,273,364
Net Cash flow (A+B+C)	1,253,836	1,794,400
Opening Balance of Cash & Cash Equivalents	4,896,521	3,102,120
Closing Balance of Cash & Cash Equivalents	6,150,360	4,896,521

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

Babulal Hirani
Chairman
DIN : 02362983

Arif Memon
Director
DIN : 00209693

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, volumerebates, 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 charge	Adjust- ment due to revalu- ation	On dis- posals	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													
6.33%	Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-	-	-
9.50%	Vehicles	2,847,783	-	-	-	2,847,783	2,542,142	-	-	2,542,142	305,641	305,641	586,710
4.75%	Office equipment	367,804	-	-	-	367,804	130,828	-	-	130,828	236,976	236,976	248,913
16.21%	Computers	994,300	-	-	-	994,300	992,444	-	-	992,444	1,856	1,856	46,446
	Total	4,209,887	-	-	-	4,209,887	3,665,414	-	-	3,665,414	544,473	544,473	882,068
	Intangible Assets												
	Trade Mark	55,886	-	-	-	55,886	49,262	-	-	49,262	6,624	6,624	6,624
	Total	55,886	-	-	-	55,886	49,262	-	-	49,262	6,624	6,624	6,624
	Work in Progress												
	CBM Block	45,783,631	-	-	-	45,783,631	-	-	-	-	45,783,631	45,783,631	45,783,631
	Total	45,783,631	-	-	-	45,783,631	-	-	-	-	45,783,631	45,783,631	45,783,631
	Grand Total	50,049,404	-	-	-	49,993,518	3,714,676	-	-	3,714,676	46,334,728	46,334,728	46,672,323

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
2. NON-CURRENT INVESTMENTS :			
TRADE INVESTMENTS	-	-	-
OTHER INVESTMENTS	Number of Shares as at		
	31st March, 2018	31st March, 2017	1st April, 2016
In Equity Shares of Subsidiary Companies - UNQUOTED, fully Paid up			
- KGN Projects Limited	99,994	99,994	99,994
	999,940	999,940	999,940
In Equity Shares of Other Companies -			
Asian Logistics Limited	29,250,000	29,250,000	29,250,000
National Saving Certificate	10,000	10,000	10,000
TOTAL	30,259,940	30,259,940	30,259,940
3. NON CURRENT LOANS :			
Loans and advances to Related Parties:			
KGN Enterprises Limited	137,567,699	138,216,175	141,766,985
KGN Properties Private Limited	129,507,776	129,507,776	129,507,367
Others	144,618,295	144,618,295	144,618,295
TOTAL	411,693,770	412,342,246	415,892,647
4. INVENTORIES:			
Stock in hand	3,229,597	3,229,597	4,562,737
TOTAL	3,229,597	3,229,597	4,562,737
5. TRADE RECEIVABLE:			
(Unsecured and Considered Good)			
Over Six Months	26,369,349	26,369,349	26,365,212
Other	-	-	-
TOTAL	26,369,349	26,369,349	26,365,212
6. CASH AND CASH EQUIVALENTS:			
Cash In Hand & Balances with banks	6,150,360	4,896,521	3,102,120
TOTAL	6,150,360	4,896,521	3,102,120
7. CURRENT LOANS:			
a. Loans and advances to Related Parties:			
KGN Project Limited	1611135	1611135	1610317
b. Security Deposit:			
Unsecured, considered good			
Other Deposits	418,500	418,500	496,500
c. Others:			
Unsecured, Considered Good			
Others	678,273	534,700	518,500
TOTAL	2,707,908	2,564,335	2,625,317

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
8. OTHER CURRENT ASSETS:				
Interest Receivable	1,173,114	974,804		758,799
Other Income Receivable	32,309,195	32,309,195		30,198,401
Other Receivable	-	-		-
Prepaid Insurance				
Preliminary Expenses not Written Off				
Sales Tax Credit	542,769	542,769		586,986
Service Tax Credit	2,820,829	2,817,100		2,739,944
Deposit with Government Authority	83,537,944	83,513,200		83,513,200
Balance With Government Authority	22,038	24,001		
TOTAL	120,405,889	120,181,069		117,797,330

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:						
23,00,00,000 Equity shares of Rs 1 each (P.Y. : 23,00,00,000 Equity shares of Rs 1 each)	230,000,000	230,000,000	230,000,000	230,000,000	230,000,000	230,000,000
	230,000,000	230,000,000	230,000,000	230,000,000	230,000,000	215,000,000
Issued, Subscribed & Paid up:						
22,25,00,000 Equity shares of Rs. 1 each (P.Y. : 22,25,00,000 Equity shares of Rs. 1 each)	222,500,000	222,500,000	222,500,000	222,500,000	222,500,000	222,500,000
TOTAL	222,500,000	222,500,000	222,500,000	222,500,000	222,500,000	222,500,000

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	222,500,000	222,500,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	222,500,000	222,500,000

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 Holdings Private Limited	119,908,452	53.89%	119,908,452	53.89%	119,908,452	53.89%

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. Share Premium	350,000,000	350,000,000	350,000,000
	350,000,000	350,000,000	350,000,000
B. Retained Earnings			
Opening Balance	46,924,366	46,508,742	46,139,681
(+) Current Year Transfer	301,258	415,624	369,061
(-) Transfer to Capital Redemption Reserve	-	-	-
Dividend Undeclared	-	-	-
Tax On Dividend undelared	-	-	-
Closing Balance	47,225,624	46,924,366	46,508,742
TOTAL	397,225,624	396,924,366	396,508,742
11. NON CURRENT BORROWINGS:			
Unsecured:			
(a) Loans and advances			
OTHERS	3,500,000	3,500,000	3,500,000
TOTAL	3,500,000	3,500,000	3,500,000
12. NON CURRENT PROVISIONS:			
(a) Others			
Provision for Income Tax	2,112,063	1,927,140	1,922,414
TOTAL	2,112,063	1,927,140	1,922,414
13. CURRENT BORROWINGS:			
Unsecured:			
(a) Loans and advances From Related Parties			
Others	17,173,591	17,267,049	18,521,482
TOTAL	17,173,591	17,267,049	18,521,482
14. TRADE PAYABLE:			
Sundry Creditors for Seed			
- Sundry Creditor for Expenses	574,941	287,942	677,017
TOTAL	574,941	287,942	677,017
15. CURRENT PROVISIONS:			
Provision for Salary	451,033	104,500	23,521
Provision for Audit Fees	192,600	172,600	152,600
Provision for Income Tax A.Y. 2018-19	134,558	-	-
Provision for Income Tax A.Y. 2017-18	-	184,923	-
Provision for Income Tax A.Y. 2016-17	-	-	186675
TOTAL	778,191	462,023	362,796

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
16. OTHER CURRENT LIABILITIES:			
Duties & Taxes:			
- TDS Payable	446,548	472,748	447,700
- Vat Payable	-	-	-
- GST	-	-	-
Other Current Liabilities:			
- Professional Tax	12,325	3,925	1,175
- Others	1,945,742	1,950,076	1,953,784
TOTAL	2,404,615	2,426,749	2,402,659

Particulars	2017-2018	2016-2017
-------------	-----------	-----------

17. REVENUE FROM OPERATION:

Export sales
Sales

TOTAL

-	-
-	-
-	-

18. OTHER INCOME:

Interest Income
Excess provision for Income Tax
Foreign Exchange Gain
Other Income

TOTAL

220,348	243,578
-	-
-	-
3,196,460	5,133,438
3,416,808	5,377,016

19. EMPLOYEE BENEFITS EXPENSE:

Salaries and incentives
Director Remuneration
Provident Fund Expenses
Staff Welfare Expenses

TOTAL

1,178,904	771,680
-	-
-	-
2,300	51,276
1,181,204	822,956

20. FINANCE COST:

Bank Charges
Interest Expenses

TOTAL

39,636	18,931
-	-
39,636	18,931

21 : DEPRICIATION AND AMORTISATION EXPENSES:

Depreciation on Fixed Assets

TOTAL

-	337,595
-	-
-	337,595

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

(Amount in Rs.)

Particulars	2017-2018	2016-2017
22. OTHER EXPENSES:		
MANUFACTURING EXPENSES:		
Diesel Expenses	-	-
Factory Expenses	-	-
Power & Fuel Expenses	-	-
TOTAL	-	-
ADMINISTRATION EXPENSES:		
Advertisement Expenses	20,927	68,960
Audit Fees Expenses	20,000	20,000
Books & Periodicals	-	1,008
Car Expenses	-	400
Conveyance Expenses	12,490	24,437
Brokerage Expenses	-	-
Donation Expenses	-	13,500
Electricity Expenses	49,005	60,180
Food & Refreshment Expenses	35,375	17,305
Hotel Club & Hospitality Expenses	-	-
Insurance Expenses	-	6,350
Legal & Professional Fees	370,622	249,000
Listing(BSE & ASE) Fees	35,400	310,000
Lodging & Boarding Expenses	-	23,809
Membership Fees Expenses	-	1,000
Miscellaneous Expenses	86,860	74,296
Office Expenses	21,344	1,148
Office Rent, Rate & Taxes Expenses	112,000	168,000
Petrol Expense	61,822	109,840
Pooja Expenses	-	-
Postage & Courier Expenses	1,850	5,480
Printing & Stationery Expenses	26,851	22,436
Property Tax	-	-
Repair & Maintenance Expenses	4,440	31,696
ROC Expenses	13,994	5,120
Annual Custody Fees	75,000	150,000
Society Maintenance Expenses	-	-
Telephone & Broadband Expenses	50,353	68,697
Sales Promotion Expenses	-	36,251
Travelling Expenses	761,819	784,760
Web Development Expenses	-	10,174
TOTAL	1,760,152	2,263,847
GRAND TOTAL	1,760,152	2,263,847

NOTES ON FINANCIAL STATEMENT 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 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 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 ond 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 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 with 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 wherever necessary.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018 :**28. Payment to Auditors :**

Particulars	2017-2018	2016-2017
A. For Statutory Audit	20,000/-	20,000/-
B. For Tax Audit	--	--
C. For Consulting 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 Projects Limited	Subsidiary
2	KGN Enterprise Limited	Enterprise over which Key Managerial Personnel are able to exercise significant influence
3	Arif I Memon	Key Managerial Personnel

(ii) Transaction during the year with Related Parties :

No.	Name of Related Party	Nature of Transaction	Transaction Amount	Closing Balance
1	KGN Projects Limited	Loans & Advances given (net)	Rs. - -	Rs. 1,611,135
2	KGN Enterprise Limited	Loans & Advances Returned (net)	Rs. 648,476	Rs. 137,567,699
3	Arif I Memon	Loan Repayment	Rs. 380,094	Rs. 14,843,091

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

Babulal Hirani
Chairman
DIN : 02362983

Arif Memon
Director
DIN : 00209693

Janki Vaghela
Director
DIN : 03050746

Date : 26.05.2018
Place : Mumbai

INDEPENDENT AUDITORS' REPORT

To,
The Members of,
KGN INDUSTRIES LIMITED,

Report on the Consolidated IND AS Financial Statements

We have audited the accompanying Consolidated IND AS financial statements of KGN INDUSTRIES 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 Accountant

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

Place : Ahmedabad
Date : 26.05.2018

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2018

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS:				
Non-Current Assets:				
Property, Plants & Equipments	1	551,097	551,096	888,692
Capital Work-In-Progress	1	45,783,631	45,783,631	45,783,631
Financial Assets				
- Investments	2	29,260,000	29,260,000	29,260,000
- Loans	3	417,693,770	418,342,246	421,892,647
Total Non-Current Assets		493,288,498	493,936,973	497,824,970
Current Assets:				
Inventories	4	3,229,597	3,229,597	4,562,737
Financial Assets				
- Trade Receivables	5	26,369,349	26,369,349	26,365,212
- Cash and Cash Equivalents	6	6,207,827	4,945,066	3,143,935
- Loans	7	1,096,773	953,200	1,015,000
Other Current Assets	8	120,405,889	120,181,069	117,797,330
Total Current Assets		157,309,435	155,678,281	152,884,214
Total Assets		650,597,933	649,615,255	650,709,184
EQUITY AND LIABILITIES:				
Equity:				
Equity Share Capital	9	222,500,000	222,500,000	222,500,000
Other Equity	10	398,060,027	397,752,604	397,331,339
Total Equity		620,560,027	620,252,604	619,831,339
Liabilities:				
Non-Current Liabilities:				
Financial Liabilities				
- Borrowings	11	3,500,000	3,500,000	3,500,000
- Other Financial Liabilities		-	-	-
Provisions	12	2,114,584	1,927,140	1,922,414
Deferred Tax Liabilities (net)		882,516	882,516	882,516
Other Non-Current Liabilities		-	-	-
Total Non-Current Liabilities		6,497,100	6,309,656	6,304,930
Current Liabilities:				
Financial Liabilities				
- Borrowings	13	17,214,987	17,308,445	18,562,878
- Trade Payables	14	3,138,256	2,851,257	3,240,332
- Other Financial Liabilities		-	-	-
Provisions	15	782,948	466,544	367,046
Other Current Liabilities	16	2,404,615	2,426,749	2,402,659
Total Current Liabilities		23,540,806	23,052,995	24,572,915
Total Equity & Liabilities		650,597,933	649,615,255	650,709,184

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 AccountantsKamlesh Bhojani
Proprietor
M. No. 119808
FRN. : 127505W

For and on behalf of the Board of Directors

Babulal Hirani
Chairman
DIN : 02362983Arif Memon
Director
DIN : 00209693Janki Vaghela
Director
DIN : 03050746Date : 26.05.2018
Place : AhmedabadDate : 26.05.2018
Place : Mumbai

Consolidated Profit and Loss statement Balance for the year ended 31st March 2018

(Amount in Rs.)			
Particulars	Note	2017-2018	2016-2017
INCOME:			
Revenue From Operations	17	-	-
Other Income	18	3,431,506	5,387,996
Total Income		3,431,506	5,387,996
EXPENDITURE :			
Cost of Material Consumed		-	-
Changes in Inventories of Finished Goods			
Work-In-Progress and Stock-in-Trade		-	1,333,140
Employee Benefits Expense	19	1,181,204	822,956
Finance Costs	20	40,650	18,931
Depreciation and Amortization Expense	21	-	337,595
Other Expenses	22	1,764,914	2,266,665
Total Expenses		2,986,768	4,779,287
Profit Before Tax		444,738	608,709
Tax Expense:			
- Current Tax		137,315	187,444
- Deferred Tax		-	-
- Excess Provision of Income Tax for Earlier Years		-	-
Profit for the Year		307,423	421,265
Earnings per Equity Share of Face Value of Rs. 10 each:			
Basic (in Rs.)		0.001	0.002
Diluted (in Rs.)		0.001	0.002

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****Babulal Hirani**
Chairman
DIN : 02362983**Arif Memon**
Director
DIN : 00209693**Janki Vaghela**
Director
DIN : 03050746**Date : 26.05.2018**
Place : Mumbai

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 2016-2017

(Amount in Rs.)

Particulars	2016-2017	2015-2016
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax as per Statement of Profit and Loss	444,738	608,709
Adjustment For:		
Depreciation and Amortisation Expenses	-	337,595
Finance Cost	40,650	18,931
Interest on Fixed Deposits	-220,348	-243,578
Operating Profit before Working Capital Changes	265,040	721,657
Adjustment For:		
(Increase)/Decrease in Trade Receivable	-	-4,137
(Increase)/Decrease in Inventories	-	1,333,140
(Increase)/Decrease in Other Current Assets	-224,820	-2,359,738
Increase/(Decrease) in Trade Payable	286,999	-
Increase/(Decrease) in Other Current Liabilities	-22,134	-344,985
Increase/(Decrease) in Provisions	503,848	84,224
Net Changes in Working Capital	543,893	-1,291,496
Cash Generated From Operations	808,933	-569,839
Taxes Paid	137,315	187,444
Net Cash Flow from Operating Activities	671,618	-757,283
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plants & Equipments	-	-
Interest Received	220,348	243,578
Change in Current Advances	-143,573	37,799
Change in Non Current Advances	648,476	3,550,401
Net Cash Flow from Investing Activities	725,251	3,831,777
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest Paid	-40,650	-18,931
Change in Current Financial Liabilities	-93,458	-1,254,433
Change in Non Current Financial Liabilities	-	-
Net Cash Flow from Financing Activities	-134,108	-1,273,364
Net Cash flow (A+B+C)	1,262,758	1,801,131
Opening Balance of Cash & Cash Equivalents	4,945,066	3,143,935
Closing Balance of Cash & Cash Equivalents	6,207,827	4,945,066

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****Babulal Hirani**
Chairman
DIN : 02362983**Arif Memon**
Director
DIN : 00209693**Janki Vaghela**
Director
DIN : 03050746**Date : 26.05.2018**
Place : Mumbai

SIGNIFICANT ACCOUNTING POLICIES FOR CONSOLIDATED IND AS FINANCIAL STATEMENTS.

1. The Consolidated IND AS Financial Statements comprises of the IND AS Financial Statements of KGN Industries (the Holding Company) and its Subsidiary. The Consolidated IND AS Financial Statements have been prepared on the following basis:

The IND AS Financial Statements of the Holding Company and its Subsidiaries Companies have been combined on a line by line basis adding together the book values of like items of Assets, Liabilities, Income and Expenses, after fully eliminating the Intra-Group Balances, Intra-Group Transactions and Unrealized Profit and Losses in accordance with Indian Accounting Standard (IND AS) 110-“Consolidated Financial Statements”.

The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the IND AS financial statements as Goodwill or Capital Reserve, as the case may be.

- i. As far as possible, the consolidated IND AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate IND AS financial statements.

2. Investments other than in subsidiaries and associates have been accounted as per Indian Accounting Standard (IND AS) 109 on “FINANCIAL INSTRUMENTS”.

3. Other Significant Accounting Policies :

These are set out under “Significant Accounting Policies” as given in the Company’s separate IND AS financial statements.

The Subsidiary Companies considered in the Consolidated IND AS Financial Statements are:

Subsidiaries	Country of Incorporation	% of Voting Power as at 31st March, 2018 (Including Beneficial Interest)
KGN Projects Limited	India	99.99%

NOTES ON CONSOLIDATED 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
Tangible Assets														
6.33% Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.50% Vehicles	2,847,783	-	-	-	2,847,783	2,542,142	-	-	-	2,542,142	305,641	305,641	586,710	
4.75% Office equipment	367,804	-	-	-	367,804	130,828	-	-	-	130,828	236,976	236,976	248,913	
16.21% Computers	994,300	-	-	-	994,300	992,444	-	-	-	992,444	1,856	1,856	46,446	
Total	4,209,887	-	-	-	4,209,887	3,665,414	-	-	-	3,665,414	544,473	544,472	882,068	
Intangible Assets														
Trade Mark	55,886	-	-	-	55,886	49,262	-	-	-	49,262	6,624	6,624	6,624	
Total	55,886	-	-	-	55,886	49,262	-	-	-	49,262	6,624	6,624	6,624	
Work in Progress														
CBM Block	45,783,631	-	-	-	45,783,631	-	-	-	-	-	45,783,631	45,783,631	45,783,631	
Total	45,783,631	-	-	-	45,783,631	-	-	-	-	-	45,783,631	45,783,631	45,783,631	
Grand Total	50,049,404	-	-	-	49,993,518	3,714,676	-	-	-	3,714,676	46,334,728	46,334,727	46,672,323	

NOTES ON CONSOLIDATED 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
2. NON-CURRENT INVESTMENTS:			
TRADE INVESTMENTS	-	-	-
OTHER INVESTMENTS			
In Equity Shares of Other Companies -			
Asian Logistics Limited	29,250,000	29,250,000	29,250,000
National Saving Certificate	10,000	10,000	10,000
TOTAL	29,260,000	29,260,000	29,260,000
3. NON CURRENT LOANS:			
Loans and advances to Related Parties:			
KGN Enterprises Limited	137,567,699	138,216,175	141,766,985
KGN Properties Private Limited	129,507,776	129,507,776	129,507,367
Others	150,618,295	150,618,295	150,618,295
TOTAL	417,693,770	418,342,246	421,892,647
4. INVENTORIES:			
Stock in hand	3,229,597	3,229,597	4,562,737
TOTAL	3,229,597	3,229,597	4,562,737
5. TRADE RECEIVABLE:			
(Unsecured and Considered Good)			
Over Six Months	26,369,349	26,369,349	26,365,212
Other	-	-	-
TOTAL	26,369,349	26,369,349	26,365,212
6. CASH AND CASH EQUIVALENTS:			
Cash In Hand & Balances with banks	6,207,827	4,945,066	3,143,935
TOTAL	6,207,827	4,945,066	3,143,935
7. CURRENT LOANS:			
a. Loans and advances to Related Parties			
b. Security Deposit			
Unsecured, considered good			
Other Deposits	418,500	418,500	496,500
c. Others			
Unsecured, Considered Good			
Others	678,273	534,700	518,500
TOTAL	1,096,773	953,200	1,015,000

NOTES ON CONSOLIDATED 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
8. OTHER CURRENT ASSETS:				
Interest Receivable	1,173,114	974,804		758,799
Other Income Receivable	32,309,195	32,309,195		30,198,401
Other Receivable	-	-		-
Prepaid Insurance				
Preliminary Expenses not Written Off				
Sales Tax Credit	542,769	542,769		586,986
Service Tax Credit	2,820,829	2,817,100		2,739,944
Deposit with Government Authority	83,537,944	83,513,200		83,513,200
Balance With Government Authority	22,038	24,001		
TOTAL	120,405,889	120,181,069		117,797,330

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:						
23,00,00,000 Equity shares of Rs 1 each (P.Y. : 23,00,00,000 Equity shares of Rs 1 each)	230,000,000	230,000,000	230,000,000	230,000,000	230,000,000	230,000,000
	230,000,000	230,000,000	230,000,000	230,000,000	230,000,000	230,000,000
Issued, Subscribed & Paid up:						
22,25,00,000 Equity shares of Rs. 1 each (P.Y. : 22,25,00,000 Equity shares of Rs. 1 each)	222,500,000	222,500,000	222,500,000	222,500,000	222,500,000	222,500,000
TOTAL	222,500,000	222,500,000	222,500,000	222,500,000	222,500,000	222,500,000

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	222,500,000	222,500,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	222,500,000	222,500,000

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 Holdings Private Limited	119,908,452	53.89%	119,908,452	53.89%	119,908,452	53.89%

NOTES ON CONSOLIDATED 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. Share Premium	<u>350,000,000</u>	<u>350,000,000</u>	<u>350,000,000</u>
	350,000,000	350,000,000	350,000,000
B. Capital Reserve			
Consolidated Reserve	<u>60</u>	<u>60</u>	<u>60</u>
	60	60	60
C. Retained Earnings			
Opening Balance	47,752,544	47,331,279	46,956,439
(+) Current Year Transfer	307,423	421,265	374,840
(-) Transfer to Capital Redemption Reserve	-	-	-
Dividend Undeclared	-	-	-
Tax On Dividend undelared	-	-	-
Closing Balance	<u>48,059,967</u>	<u>47,752,544</u>	<u>47,331,279</u>
TOTAL	<u>398,060,027</u>	<u>397,752,604</u>	<u>397,331,339</u>
11. NON CURRENT BORROWINGS:			
Unsecured:			
(a) Loans and advances:			
OTHERS	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>
TOTAL	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>
12. NON CURRENT PROVISIONS:			
(a) Others:			
Provision for Income Tax	<u>2,114,584</u>	<u>1,927,140</u>	<u>1,922,414</u>
TOTAL	<u>2,114,584</u>	<u>1,927,140</u>	<u>1,922,414</u>
13. CURRENT BORROWINGS:			
Unsecured:			
(a) Loans and advances From Related Parties			
Others	<u>17,214,987</u>	<u>17,308,445</u>	<u>18,562,878</u>
TOTAL	<u>17,214,987</u>	<u>17,308,445</u>	<u>18,562,878</u>
14. TRADE PAYABLE:			
Sundry Creditors for Seed	25,63,315	25,63,315	25,63,315
- Sundry Creditor for Expenses	<u>574,941</u>	<u>287,942</u>	<u>677,017</u>
TOTAL	<u>3,138,256</u>	<u>2,851,257</u>	<u>3,240,332</u>

NOTES ON CONSOLIDATED 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
15. CURRENT PROVISIONS:			
Provision for Salary	451,033	104,500	23,521
Provision for Audit Fees	194,600	174,600	154,600
Provision for Income Tax A.Y. 2018-19	137,315	-	-
Provision for Income Tax A.Y. 2017-18	-	187,444	-
Provision for Income Tax A.Y. 2016-17	-	-	188,925
TOTAL	782,948	466,544	367,046
16. OTHER CURRENT LIABILITIES:			
Duties & Taxes:			
- TDS Payable	446,548	472,748	447,700
- Vat Payable	-	-	-
- GST	-	-	-
Other Current Liabilities:			
- Professional Tax	12,325	3,925	1,175
- Others	1,945,742	1,950,076	1,953,784
TOTAL	2,404,615	2,426,749	2,402,659
Particulars	2017-2018		2016-2017
17. REVENUE FROM OPERATION:			
Export Sales	-		-
Sales	-		-
TOTAL	-		-
18. OTHER INCOME:			
Interest Income	220,348		243,578
Excess provision for Income Tax	-		-
Foreign Exchange Gain	-		-
Other Income	3,211,158		5,144,418
TOTAL	3,431,506		5,387,996
19. EMPLOYEE BENEFITS EXPENSE:			
Salaries and incentives	1,178,904		771,680
Director Remuneration	-		-
Provident Fund Expenses	-		-
Staff Welfare Expenses	2,300		51,276
TOTAL	1,181,204		822,956
20. FINANCE COST:			
Bank Charges	40,650		18,931
Interest Expenses	-		-
TOTAL	40,650		18,931

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

(Amount in Rs.)

Particulars	2017-2018	2016-2017
21. DEPRICIATION AND AMORTISATION EXPENSES:		
Depreciation on Fixed Assets	-	337,595
TOTAL	-	337,595
22. OTHER EXPENSES:		
MANUFACTURING EXPENSES:		
Diesel Expenses	-	-
Factory Expenses	-	-
Power & Fuel Expenses	-	-
TOTAL	-	-
ADMINISTRATION EXPENSES:		
Advertisement Expenses	20927	68960
Audit Fees Expenses	22000	22000
Bad Debt Written Off	-	-
Books And Periodicals	0	1008
Car Expenses	0	400
Cable & Internet Expenses	-	-
Conveyance Expenses	12490	24437
Brokerage Expenses	-	-
Donation Expenses	0	13500
Electricity Expenses	49005	60180
Food & Refreshment Expenses	0	17305
Hotel Club & Hospitality Expenses	-	-
Insurance Expenses	0	6350
Income Tax Expenses	-	-
Legal & Professional Fees	370622	249000
Listing(BSE & ASE) Fees	35400	310000
Lodging & Boarding Expenses	0	23809
Membership Fees Expenses	0	1000
Miscellaneous Expenses	85685	74296
Office Expenses	21868	1148
Office Rent, Rate & Taxes Expenses	112000	168000
Petrol Expense	61822	109840
Pooja Expenses	-	-
Postage & Courier Expenses	1850	5480
Printing & Stationery Expenses	27866	22436
Property Tax	-	-
Repair & Maintenance Expenses	4440	31696
ROC Expenses	15217	5938
refreshment expense	35375	-
Annual Custody Fees	75000	150000
Society Maintenance Expenses	-	-
Telephone & Broadband Expenses	50353	68697
Sales Promotion Expenses	0	36251
Travelling Expenses	761819	784760
Web Development Expenses	0	10174
Water expense	1175	0
TOTAL	1,764,914	2,266,665
GRAND TOTAL	1,764,914	2,266,665

NOTES ON CONSOLIDATED 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.

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

28. Payment to Auditors :

Particulars	2017-2018	2016-2017
A. For Statutory Audit	22,000/-	22,000/-
B. For Tax Audit	--	--
C. For Consulting Fees	--	--
	22,000/-	22,000/-

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 Projects Limited	Subsidiary
2	KGN Enterprise Limited	Enterprise over which Key Managerial Personnel are able to exercise significant influence
3	Arif I Memon	Key Managerial Personnel

(ii) Transaction during the year with Related Parties :

No.	Name of Related Party	Nature of Transaction	Transaction Amount	Closing Balance
1	KGN Enterprise Limited	Loans & Advances Returned (net)	Rs.648,476	Rs.137,567,699
2	Arif I Memon	Loan Repayment	Rs.338,698	Rs.14,884,487

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

Babulal Hirani

Chairman

DIN : 02362983

Date : 26.05.2018

Place : Mumbai

Arif Memon

Director

DIN : 00209693

Janki Vaghela

Director

DIN : 03050746

DETAILS OF SUBSIDIARY COMPANY 2017-2018

Name of the Subsidiary : KGN Projects Limited Financial Years Ends On 31st March, 2018	Amount in Rs.
Share Capital	10,00,000
Reserves	8,34,344
Borrowings	16,52,531
Other Liabilities	25,70,593
Total Liabilities	60,57,468
Cash & Cash Equivalent	57,468
Loans & Advances	60,57,468
Other Assets	NIL
Total Assets	60,48,545
Turnover	14,698
Total Income	14,698
Employee Benefit Expense	NIL
Depreciation And Amortisation Expense	NIL
Other Expenses	5,776
Total Expenses	5,776
Profit before Taxation	8,922
Provision for Taxation	2,757
Profit After Taxation	6,165
Proposed Dividend	NIL
Basic (E.P.S.)	0.06
Diluted (E.P.S.)	0.06

For and on Behalf of the Board of Directors

Babulal J Hirani
Director
DIN : 02362983

KGN INDUSTRIES 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.kgnindustries.com

E-mail: info@kgnindustries.com
CIN: L23101MH1994PLC206282

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 2.30 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:

1. Name : _____
Address : _____
Email ID : _____ Signature : _____ or failing him / her
2. Name : _____
Address : _____
Email ID : _____ Signature : _____ or failing him / her
3. Name : _____
Address : _____
Email ID : _____ Signature : _____ or failing him / her

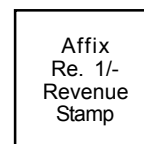
as my / our proxy to attend and vote (on a poll) for me / us and on my /our behalf at the 24th Annual General Meeting to be held on Saturday, the 29th day of September 2018 at 2:30 P.M. at the **YWCA BOMBAY INTERNATIONAL CENTRE** 18TH MADAME CAMA ROAD, FORT- MUMBAI- 400001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business :

1. To receive, consider and adopt the Audited Balance sheet as on 31st March, 2018 and Profit and Loss Account for the year ended on 31st march 2018 that date together with the Cash flow Statement along with the Directors Report and Auditors Report thereon.
2. To reappoint **Mr Babulal Hirani** (DIN: 02362983), Director of the Company who retires by rotation and being eligible offers himself for reappointment.
3. To appoint **M/s. Kamlesh Bhojani & Associate 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 :-

1. 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.
2. A proxy need not be a Member of the Company.
3. 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.
4. 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.
5. Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.

FORM FOR UPDATION/REGISTRATION OF E-MAIL ADDRESS

KGN Industries 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.kgnindustries.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 2:30 A.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 :

KG N INDUSTRIES LIMITED

Registered Office:

B-15, Hirmen Shopping Centre co. op. hsq. Society Limited,
Near City Centre, S.V. Road, Goregaon (West), Mumbai-400062.