

**KGN ENTERPRISES LTD.**



**Annual Report  
2014**



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# **KGN ENTERPRISES LIMITED**

## **Registered office**

B-15 Hirnen Shopping Centre, Hirnen Shopping Centre Co. Op. Soc. Ltd., S.V.  
Road, Goregaon West, Mumbai – 400 062, [www.kgnenterprises.com](http://www.kgnenterprises.com),  
CIN: L45201MH1994PLC204203

## **Board of Directors**

- |                         |                                    |
|-------------------------|------------------------------------|
| ● Mr. Ismail Memon      | Chairman                           |
| ● Mr. Babulal Hirani    | Managing Director                  |
| ● Mr. Mohsin memon      | Director                           |
| ● Dr. Dhaval Bhatt      | Director (Ceased w.e.f.13.11.2013) |
| ● Mr. Aftab Ahmed Kadri | Director(Ceased w.e.f 28.05.2014)  |

## **Bankers of the Company**

1. Axis Bank, Churchgate Branch, Mumbai
2. Axis Bank, Ahmedabad

## **Auditors**

M/s. Kirit & Company, Chartered Accountants, Ahmedabad

## **Registrar & Share Transfer Agent**

Link Intime India Private Limited  
Unit 303, 3<sup>rd</sup> Floor, Shoppers Plaza V,  
Opp. Municipal Market, Behind Shoppers Plaza II,  
Off. C.G.Road,  
Ahmedabad - 380 009  
Email: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

## **NOTICE**

**NOTICE** is hereby given that **TWENTIETH ANNUAL GENERAL MEETING OF KGN ENTERPRISES LIMITED** will be held at Bombay Y.M.C.A Central Branch, 12, Nathalal Parekh Marg, Colaba, Mumbai- 400 001 on Friday, 26<sup>th</sup> September, 2014 at 2 p.m to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014, statement of Profit & Loss for the year ended on that date, together with the Reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of **Mr. Mohsin Memon (holding DIN: 03110860)**, who retires by rotation and is eligible for re-appointment;
3. To appoint Auditors (pursuant to section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013), to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration for the financial year ending 31<sup>st</sup> March, 2015. The retiring Auditor M/s Kirit & Co., Chartered Accountants, Ahmedabad are, however eligible for re-appointment.

### **NOTES:**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company.

Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

- b) The Register of Members and Share Transfer Books of the Company will be closed from **22<sup>nd</sup> September, 2014 to 26<sup>th</sup> September, 2014 (both days inclusive)**.

- c) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- d) Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
- e) Members desiring any information on Accounts and/or Operations of the Company are requested to send their queries to the Company at its Registered Office at least 7 days before the date of the Meeting.
- f) All correspondence relating to change of address and shares of the Company may please be addressed to the Share Transfer Agents – Link in Time India Private Limited (formerly Intime Spectrum Registry Limited) at 211, Sudarshan Complex, Near Mithakhali Under Bridge, Navrangpura, Ahmedabad – 380 009.
- g) The Equity Shares of the Company are compulsorily traded in demat form and the share holders who have not yet dematerialized their shares are requested to dematerialize their shares by opening DP Account with nearest Depository Participants at the earliest to avail the benefits of dematerialization.

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

**Date: 11<sup>th</sup> August, 2014**  
**Place: Mumbai**

**Sd/-**  
**BABULAL HIRANI**  
**MANAGING DIRECTOR**

## DIRECTORS' REPORT

To  
The Members,  
**KGN ENTERPRISES LIMITED,**  
Mumbai, Maharashtra.

Your Directors have pleasure in presenting their 20<sup>th</sup> Annual Report of the Company, along with Audited Accounts for the financial year ended 31st March, 2014.

### FINANCIAL RESULTS:

(₹In Lacs)

PARTICULAR	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Profit before Depreciation and Amortization Expenses, Finance Cost and Tax Expenses	5.71	288.49
Less : Finance Cost	0.31	1.31
Depreciation and Amortization Expenses	NIL	210.61
<b>Profit before Tax</b>	<b>5.40</b>	<b>76.57</b>
Less : Current Tax	1.00	14.59
Deferred Tax	NIL	-10.99
<b>Profit for the year</b>	<b>4.40</b>	<b>72.97</b>
Add : Balance in Profit & Loss Account	431.72	411.12
	<b>436.12</b>	<b>484.09</b>
<b>Less: Appropriation</b>		
Transfer to Capital Redemption Reserve	NIL	50.00
Proposed Dividend on Equity Shares	NIL	6.14
Tax on Dividend	NIL	0.99
<b>Add : Undeclared Dividend for F.Y. 2011-12</b>		
Dividend Undeclared	NIL	4.09
Tax on Dividend Undeclared	NIL	0.66
<b>Add : Undeclared Dividend for F.Y. 2012-13</b>		
Dividend Undeclared	6.14	NIL
Tax on Dividend Undeclared	0.99	NIL
<b>Closing Balance</b>	<b>443.26</b>	<b>431.72</b>

### DIVIDEND:

During the year Company earned a little Profit. Board of Directors want to retain the profit for the future projects and do not recommend any dividend for the year.

Last year Board of Director proposed a dividend of ₹ 0.03 per Equity Shares but shareholder's in AGM held on 28th September, 2013 cancelled the proposed dividend. Company has written back the dividend amount which was not declared by Shareholder in the last AGM in its Profit & Loss Account. The total amount of dividend undeclared with dividend distribution tax is ₹ 7,13,738.

**RESULTS OF OPERATIONS:**

The highlights of the performance are as under :

- Revenue from operations decreased by 85.58% to ₹ 846.27 Lacs.
- Total Income decreased by 83.66% to ₹ 984.64 Lacs.
- Net Profit before depreciation & Tax decreased by 98.12% to ₹ 5.41 Lacs.
- Net Profit after Tax decreased by 93.96% to ₹ 4.41 Lacs.

**CORPORATE GOVERNANCE:**

A Separate section on Corporate Governance is included in this Report along with a Certificate from the Auditors of the Company confirming compliance with conditions on Corporate Governance, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges. A certificate from the Managing Director of the Company in terms of Sub-Clause(v) of Clause 49 of the Listing Agreement is also annexed.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

A separate section on Management Discussion and Analysis (MD&A) forms part of this Annual Report as required under Clause 49 of the Listing Agreements with the Stock Exchanges. All matters pertaining to industry structure and developments, opportunities and threats, risks and concerns, internal control and systems etc. are discussed in this report.

**AUDITORS AND AUDITORS' REPORT :**

The Auditors M/s Kirit & Co., Chartered Accountants, Ahmedabad, retire at the ensuing Annual General Meeting and are being eligible for re-appointment. The retiring Auditors have furnished a certificate of their eligibility for re-appointment under section 141(3) (g) of the Companies Act 2013 and that they are not disqualified for re-appointment.

**OBSERVATION IN AUDITORS REPORT:**

The observation made by the Auditors in the Auditor's Report read with relevant notes given in the notes on Accounts are self explanatory and therefore do not call for any further comments.

**COST AUDITORS:**

The Company has appointed the Shilpa Parikh & Associates for conducting the audit of cost records of the Company for the Financial Year 2013-14.

**CONSOLIDATED FINANCIAL STATEMENT:**

In accordance with the Accounting Standard (AS) – 21 on Consolidated Financial Statements read with AS – 23 on Accounting for Investment in Associates and AS – 27 on Financial Reporting of Interest in Joint Ventures,, the audited Consolidated Financial Statement is provided in the Annual Report.

**SUBSIDIARY COMPANIES:**

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

In accordance with the General circular issued by Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary Companies are not being attached with the Balance Sheet of the Company. However the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will provide a copy of separate annual accounts in respect of each of its subsidiary to any shareholder of the Company who asks for it and the said annual accounts will be kept open for inspection at the Registered Office of the Company and that of respective Subsidiary Companies.

**ENVIRONMENTAL PROTECTION:**

Your Company is engaged in manufacturing activities for which Company has taken approval of Gujarat Pollution Control Board.

**DIRECTORS:**

Mr Mohsin Memon is liable to retire by rotation at the ensuing Annual General Meeting, being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

Mr. Aftab Ahmed Kadri & Mr. Dhaval Bhatt have resigned from the Company and your Board of Director has accepted the same in Board Meeting. Board of Director has expressed their appreciation for the assistance and cooperation received from them.

The Company has received declarations from all the Independent Directors of the Company Confirming that they meet the criteria of Independence prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under clause 49 of the Listing Agreement with the Stock Exchanges.

**DIRECTORS' RESPONSIBILITY STATEMENTS:**

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that :

- i) that in preparation of the annual accounts for the year ended March 31, 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;



- ii) 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 as at March 31, 2014 and of the profit of the Company for the year ended on that date;
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the directors have prepared the annual accounts of the Company on a 'going concern' basis.

**FIXED DEPOSITS:**

During the year under review your Company has neither accepted nor invited any deposits in terms of Section 58A and 58AA of the Companies Act, 2013.

**PARTICULARS OF EMPLOYEES:**

During the year under review, as there was no employee on the payroll of the Company, drawing Salary/Remuneration of ₹ 5,00,000/- or more per month, information pertaining to Section 217(2A) of the Companies Act, 2013 is not applicable.

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

The statement of particulars with respect to conservation of energy, technology, absorption and Foreign Exchange earnings and outgo pursuant to section 217(1) (e) of the Companies Act, 1956 read with The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable to the company and hence not given.

**ACKNOWLEDGEMENTS:**

Your Directors would like to express their gratitude for the continuous support of Financial Institutions, Banks, Central and State Government, Office of the Industries Commissioner, Valued Customers and devoted workers for their continuous contribution to the growth and progress of Company. The Directors also take this opportunity to thank the shareholders for the confidence reposed in the management.

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

**Sd/-**

**BABULAL J HIRANI  
MANAGING DIRECTOR**

**DATE : 11<sup>th</sup> August, 2014  
Place : Mumbai**

## **MANAGEMENT DISCUSSION ANALYSIS**

### **GLOBAL OVERVIEW**

Castor oil is a vegetable oil obtained by pressing the seeds of the castor oil plant. Castor oil and its derivatives are used in the manufacturing of soaps, lubricants, hydraulic and brake fluids, paints, dyes, coatings, Inks, cold resistant plastics, waxes and polishes nylon, pharmaceuticals and perfumes. World's average total production of castor seed figures around 12.5 Lakh tons and is cultivated in more than 30 countries of the world. Due to its end number of uses in various industries, castor oil has a high level of demand in the world that is still constantly rising at 3 to 5 % per annum.

### **INDUSTRY OVERVIEW**

India being the largest producer of the castor contributes to around 65 % of the world's total production. India produces around 8 lakh tons of castor seed and around 3 lakh tons of castor oil. Gujarat is India's leading castor producing state constituting to around 86% of the country's total produce. The major sources of demand of castor oil are the various industries like soap, lubricant and paint industries and the demand of the oil is spread all across of country. As it is mentioned before, India exports 75% of its total production of castor and its derivatives. India exports around 3 Lakh tons of castor oil that is worth Rs 700 Crores and stands at the top position in the list of major castor oil exporting countries

### **CURRENT BUSINESS REVIEW**

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

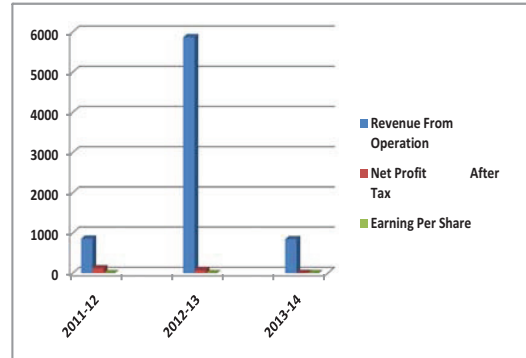
### **FINANCIAL HIGHLIGHTS**

The highlights of the performance are as under:

- Revenue from operations decreased by 85.58% to ₹ 846.27 Lacs.
- Total Income decreased by 83.66% to ₹ 984.64 Lacs.
- Net Profit before depreciation & Tax decreased by 98.12% to ₹ 5.41 Lacs.
- Net Profit after Tax decreased by 93.96% to ₹ 4.41 Lacs.

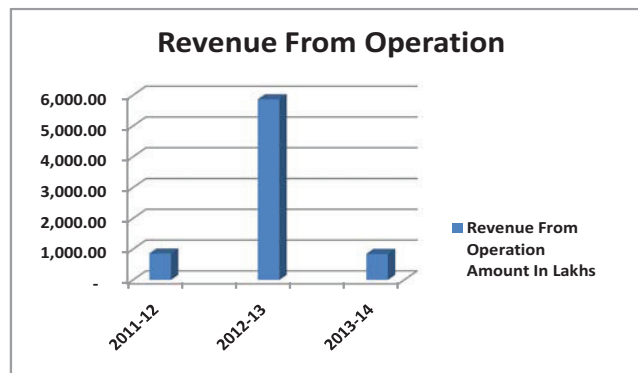
**Business Performance**  
(Amount In Lacs)

Year	Revenue From Operation	Net Profit After Tax	Earning Per Share
2011-12	858.79548	120.88565	0.59
2012-13	5869.64203	72.97234	0.36
2013-14	846.2653	4.40564	0.02



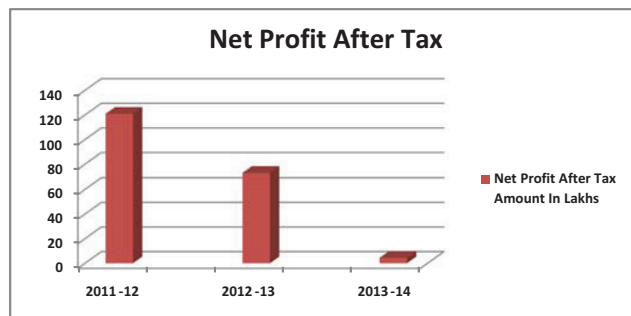
**Revenue From Operation**  
Year Amount In Lakhs

2011-12	858.80
2012-13	5,869.64
2013-14	846.27



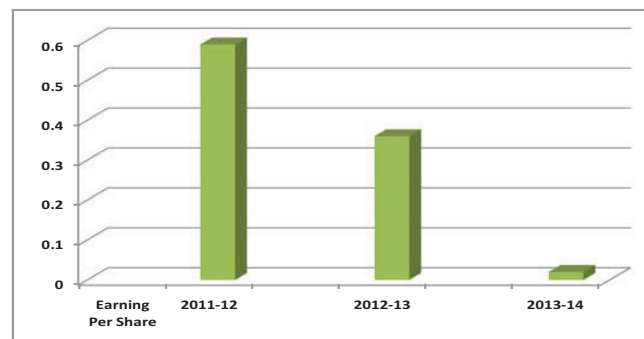
**Net Profit After Tax**  
Year Amount In Lakhs

2011-12	120.89
2012-13	72.97
2013-14	4.41



**Earning Per Share**

2011-12	0.59
2012-13	0.36
2013-14	0.02



**FUTURE OUTLOOK**

- The Company is planning to increase the capacity of its plants through improved means of technologies. It will enable the company to improve the quality of existing range of products, cost reduction, development of new products and exports, improvement in manufacturing process.
- The Company is regularly doing research and analysis for better quality control and cost effective solutions.
- The Company proposes to export its products to, Egypt, Germany, and USA. These countries are regular buyers of castor oil & derivatives from India.
- During the year Company started trading in Agricultural & Non Agricultural commodities on National Multi Commodity Exchange of India Limited (NMCE). Company earned a good profit on trading on NMCE and planning for a good business on Trading on NMCE.

**OPPORTUNITIES THREATS RISKS AND CONCERNS**

- Castor oil and its derivatives have applications in the manufacturing of soaps, lubricants, hydraulic and brake fluids, paints, dyes, coatings, inks, cold resistant plastics, waxes and polishes, nylon, pharmaceuticals and perfumes. So there are tremendous opportunities in this sector.
- Much higher thrust on research & development is required for proper quality control.
- Foreign exchange fluctuation and volatility in prices can affect the margin of export.
- Castor seeds continue to be a volatile raw material in terms of its price.
- Castor seed is a seasonal product for which cycle usually starts from January to June, stock of the same if not maintained in other 6 months can affect the company.
- Availability of castor seeds depends on the weather condition in the area of castor growing states in the country.

**CAUTIONARY STATEMENT**

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

By order of the Board of Directors  
**KGN ENTERPRISES LIMITED**  
Sd/-  
**(BABULAL HIRANI)**  
**MANAGING DIRECTOR**

**Date: 11<sup>th</sup> August, 2014**  
**Place: Mumbai**

## **REPORT ON CORPORATE GOVERNANCE**

The Equity shares of the Company have been listed on the BSE Limited and MCX Stock Exchange Limited.

In accordance with Clause 49 of the Listing Agreement on Corporate Governance (Clause 49) with the BSE Limited (BSE) and the MCX Stock Exchange Limited (MCX), the report containing the details of corporate governance systems and processes at KGN ENTERPRISES LIMITED are as under:

### **1. CORPORATE GOVERNANCE PHILOSOPHY:**

The Company firmly believes that the governance process must aim at managing the affairs without undue restraints for efficient conduct of its business, so as to meet the aspirations of shareholders, employees, customers, vendors and society at large.

The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosure, credibility among others serve as the means of implementing the philosophy of Corporate Governance in both letter and spirit.

We believe that sound Corporate Governance is critical to enhance and retain investor trust. 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.

The Company recognizes that good Corporate Governance is a continuing exercise and reiterates its commitment to achieve highest standards of Corporate Governance in the overall interest of all the stakeholders.

### **2. BOARD OF DIRECTORS:**

#### **a) Composition & Category of Directors:**

The Company has Non-Executive Chairman. As on 31<sup>st</sup> March, 2014 there were 4 Directors on its Board. The number of Non-Executive Directors is more than one-third of the total number of directors. None of the Directors on the Board is a Member of more than 10 Committees or a Chairman on more than 5 Committees, across all companies in which he is a Director, including KGN Enterprises Limited.

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

Total 4 Board Meetings were held during the Financial Year 2013-2014 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are given hereunder:-

23.05.2013, 13.08.2013, 13.11.2013, 27.01.2014

Name	Category	No. of Board Meetings attended during 2013-14	Whether attended AGM held on 28 <sup>th</sup> September 2013	No. of Directorships in other public companies* as on 31.03.2014		No. of Committee positions held in other public companies** as on 31.03.2014	
				Chairman	Member	Chairman	Member
Mr. Ismail Memon (Chairman)	Promoter Non Executive	2	NO	0	5	1	1
Mr. Babulal J. Hirani (Managing Director)	Professional Executive	4	YES	0	6	1	3
Mr. Mohsin Memon	Executive	4	YES	0	1	0	0
Mr. Aftab Ahmed Kadri	Independent Non Executive	3	YES	0	4	0	2

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

At the ensuing Annual General Meeting, Mr. Mohsin Memon, 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 Directors proposed to be re-appointed as mentioned in item no.2 of the Notice as per Corporate Governance Code defined under Clause 49 of the Listing Agreement are furnished below:

<b>Name</b>	Mr. Mohsin Memon
<b>Date of Birth/Age</b>	6 <sup>th</sup> June, 1986 (28 yrs)
<b>Date of Appointment</b>	14 <sup>th</sup> October, 2012
<b>No. of Shares held in the Company</b>	NIL
<b>Qualification</b>	B.COM
<b>Experience</b>	4 Years Experience in Finance
<b>List of other Directorship</b>	1.KGN CAPITAL LIMITED
<b>Membership/ Chairman of committees of the other Companies</b>	NIL

**3. AUDIT COMMITTEE:**

**a. Composition of Committee:**

Four Audit Committee meetings were held during 2013-2014. The dates on which the said meetings were held are as follows:

20.05.2013, 08.08.2013, 8.11.2013, 20.01.2014.

NAMES	CATEGORY	NO. OF COMMITTEE MEETINGS HELD	NO. OF COMMITTEE MEETINGS ATTENDED
Mr. Aftabahmed Kadri	Chairman	4	4
Mr. Ismail. G. Memon	Member	4	2
Mr. Babulal J. Hirani	Member	4	3

**b) Role of Audit Committee:**

The Role of Audit Committee shall include the following:

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.

1. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
2. Approval of payment to statutory auditor for any other services rendered by the statutory auditors.
3. Reviewing, with the management, the annual financial statement before submission to the board for approval. With particular reference to :
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report.
  - b) Changes, if any, in accounting policies and practices and reasons for the same
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statement arising out of audit findings
  - e) Compliance with listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party audit report.
  - g) Qualification in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing. With the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function. if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in repayment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term “related party transaction” shall have the same meaning as contained in the Accounting Standard 18, Related Party Transaction. Issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the company has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

**Review of Information by Audit Committee**

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and result of operations.
2. Statement of significant related party transaction (as defined by the audit committee), submitted by management;
3. Management letter/letters of internal control weakness issued by the statutory auditors;
4. Internal audit reports relating to internal control weakness; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

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

The composition of the Remuneration Committee is as under:

NAMES	CATEGORY	NO. OF COMMITTEE MEETINGS HELD	NO. OF COMMITTEE MEETINGS ATTENDED
Mr. Babulal Hirani	Chairman	1	1
Mr. Ismail. G. Memon	Member	1	1
Mr. Aftab Ahmed Kadri	Member	1	1

**5. SHAREHOLDER’S AND INVESTOR’S GRIEVANCE COMMITTEE:**

The composition of the Shareholders’ and Investors’ Grievance Committee is as under:

NAMES	CATEGORY	NO. OF COMMITTEE MEETINGS HELD	NO. OF COMMITTEE MEETINGS ATTENDED
Mr. Ismail Memon	Chairman	2	1
Mr. Babulal Hirani	Member	2	2
Mr. Aftab Ahmed Kadri	Member	2	2



**6. NAME & DESIGNATION OF THE COMPLIANCE OFFICER:**

Mr. Babulal Hirani is the compliance officer for KGN Enterprises Limited.

The 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 Clause 49 of the Listing Agreement 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. GENERAL BODY MEETINGS:**

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

Financial Year	Location	Date	Day	Time	Type of Meeting	Special Resolutions passed
2012-13	Bombay YMCA, Central Branch 12, Nathalal Parekh Marg, Colaba, Mumbai- 400 001.	28 <sup>th</sup> September, 2013	Saturday	12 p.m.	AGM	1
2011-12	Y. M. C. A International House, Y. M. C. A Road, Near Maratha Mandir, Mumbai Central- 400 008	29 <sup>th</sup> September, 2012	Saturday	11.30 a.m.	AGM	2
2011-12	23, Vaswani Mansion, 4 <sup>th</sup> Floor, Dinshaw Vaccha Road, Opp. K.C. College, Churchgate, Mumbai 400002	13 <sup>th</sup> October, 2012	Saturday	11.00 a.m.	EGM	1
2010-11	23, Vaswani Mansion, 4 <sup>th</sup> Floor, Dinshaw Vaccha Road, Opp. K.C. College, Churchgate, Mumbai 400002	29 <sup>th</sup> September, 2011	Thursday	10.00 a.m.	AGM	1

**b) Postal Ballot:**

No Special Resolution was passed through postal ballot during the Financial Year 2013-14. In the ensuing Annual General Meeting, there is no business requiring Postal Ballot.

**8. DISCLOSURES:**

During the financial year 2013-14, 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 Compliance with Clause 41 of Listing Agreement with the Stock Exchanges the Company publishes Quarterly and Annual Results in news papers and submits the same to all the Stock Exchanges where the shares of the Company are listed. These Results are normally published in The Business Standard (English) and in Mumbai Lakshadweep (Marathi) News Papers.

**10. CEO / CFO CERTIFICATION:**

The Chief Executive Officer (CEO) certifies on the financial statement pursuant to the provisions of Clause 49 of the Listing Agreement is annexed and forms part of the Annual Report of the Company.

**11. GENERAL SHAREHOLDER INFORMATION:**

**a) Detail Programme of the 20<sup>th</sup> ANNUAL GENERAL MEETING:**

**DATE** : 26<sup>th</sup> SEPTEMBER, 2014  
**DAY** : FRIDAY  
**TIME** : 2.00 P.M.  
**VENUE** : Bombay YMCA, Central Branch  
12, Nathalal Parekh Marg, Colaba,  
Mumbai- 400 001.

**b) FINANCIAL YEAR:** 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014.

**c) BOOK CLOSURE DATE:** 22<sup>nd</sup> September, 2014 to 26<sup>th</sup> September, 2014  
(Both days inclusive)

**d) LISTING ON STOCK EXCHANGES:**

**The Company's Ordinary shares are listed on the following Stock Exchanges:**

Bombay Stock Exchange Ltd.  
MCX Stock Exchange Ltd.

**e) STOCK CODE:**

Bombay Stock Exchange Ltd. : 533790  
MCX Stock Exchange Ltd. : KGNENT

**f) DEMAT INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN) FOR EQUITY SHARES : INE 755B01019**

**MONTHWISE STOCK MARKET PRICE DATA (BSE) RELATING TO EQUITY SHARES OF THE COMPANY FOR THE PERIOD 1<sup>ST</sup> APRIL, 2013 TO 31<sup>ST</sup> MARCH, 2014.**

PERIOD FROM APRIL, 2013 TO MARCH, 2014	PRICE PER SHARE		NO OF SHARES TRADED
	HIGH (RS.)	LOW (RS.)	
April, 2013	113.70	60.28	1740
May, 2013	59.60	43.50	1,28,458
June, 2013	48.75	35.35	8,25,494
July, 2013	35.60	18.10	95,483
August, 2013	27.40	18.25	4,04,587
September, 2013	25.95	18.10	9,98,915
October, 2013	30.95	15.55	1,92,861
November, 2013	40.85	31.50	43,613
December, 2013	38.15	29.40	28,303
January, 2014	56.80	38.15	66,734
February, 2014	82.30	57.90	18,023
March, 2014	103.55	83.90	1,45,977

(Source- [www.bseindia.com](http://www.bseindia.com))

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

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

**Link Intime India Pvt. Ltd.** (formerly Intime Spectrum Registry Ltd.)

211, Sudarshan Complex, Near Mithakhali under Bridge,

Navrangpura, Ahmedabad - 380 009.

Telefax: 079-26465179.

Email: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

**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 31<sup>ST</sup> MARCH, 2014:**

SR. NO.	RANGE OF HOLDING	NO. OF SHARE HOLDERS	NO. OF SHARES	% TO CAPITAL
1.	Upto 500	347	32158	0.1570
2.	501 to 1000	62	55220	0.2700
3.	1001 to 2000	38	64179	0.3140
4.	2001 to 3000	47	126520	0.6180
5.	3001 to 4000	37	134603	0.6580
6.	4001 to 5000	97	478255	2.3360
7.	5001 to 10000	106	851077	4.1580
8.	Above 10000	145	18727988	91.49
<b>TOTAL</b>		879	20470000	100

**k) SHAREHOLDING PATTERN AS ON 31<sup>st</sup> MARCH, 2014:**

SR. NO.	CATEGORY	NO. OF SHARES	PERCENTAGE
1.	Indian Public	5594691	27.33%
2.	NRIs / OCBs	52	0.0003
3.	Mutual Funds and UTI	NIL	NIL
4.	Banks, Financial Institutions and Insurance Companies (Central Institutions)	NIL	NIL
5.	Clearing Member	1581394	7.73%
6.	Corporate Bodies	2369722	11.57%
7.	Indian Promoters	10866141	53.08%
8.	Hindu Undivided Family	58000	0.28%
9.	Forfeiture of Shares	NIL	NIL
	<b>TOTAL</b>	<b>20470000</b>	<b>100%</b>

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

Percentage of Shares held in Physical form : 3.47%  
Percentage of Shares held in Electronic form : 96.53%

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

**n) ADDRESS FOR CORRESPONDENCE:****Registered Office:**

B – 15, Hirnen Shopping Centre,  
Hirnen Shopping Centre Co-op. Hsg. Soc. Ltd.,  
S. V. Road, Goregaon West, Mumbai – 400 062.

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

Sd/-  
**BABULAL HIRANI**  
**MANAGING DIRECTOR**

## **DECLARATION**

I, Babulal Hirani, Managing Director of the Company, hereby certify that all the members of the Board of Directors and Senior Management personnel of the Company have affirmed their compliance with the Code of Conduct applicable to them, as laid down by the Board of Directors in terms of Clause 49(l)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended 31<sup>st</sup> March, 2014.

For and on behalf of The Board Of Directors

**KGN ENTERPRISES LIMITED**

Sd/-

**BABULAL HIRANI**

**(MANAGING DIRECTOR)**

**Place: Mumbai**

**Date: 11<sup>th</sup> August, 2014**

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## **AUDITORS' CERTIFICATE**

To,  
The Members  
**KGN Enterprises Limited,**  
Mumbai.

We have read the Report of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by the KGN Enterprises Limited for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement executed by Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

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 KIRIT & CO.**

Chartered Accountants

Sd/-

**Kirit Kumar**

Proprietor

M.No. : 038047

FRN : 132282

**Date: 11<sup>th</sup> August, 2014**

**Place: Mumbai**

## **INDEPENDENT AUDITORS' REPORT**

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

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **KGN ENTERPRISES LIMITED (the Company)**, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the statement of Profit & Loss and Cash Flow Statement for the year ended and a summary of Significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the 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 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the 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 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, the aforesaid 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:

- a) In the case of the Balance Sheet, of the state of affairs of the company as on 31<sup>st</sup> March, 2014.
- b) In the case of the Profit & Loss Account Statement Balance, of the profit for the year ended on 31<sup>st</sup> March, 2014.
- c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on 31<sup>st</sup> March, 2014.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2003 as amended Companies (Auditor's Report) (Amended) Order, 2004, issued by the Central Government of India in terms of sub – section (4A) of Section 227 of Companies Act, 2013, we enclose in the Annexure hereto a statement specified in paragraph 4 and 5 of the said order.
2. As required by Section 227(3) of the Act, we report that:
  - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
  - ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books;
  - iii) The Balance Sheet and Profit & Loss Statement Balance dealt with by this report are in agreement with the books of account;
  - iv) On the basis of the written representation received from the directors, as on March 31, 2014, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 164 of the Companies Act, 2013.
  - v) In our opinion, the Balance Sheet & Profit & Loss Statement Balance complies with the mandatory Accounting Standards referred to in Section 211(3C) of the Companies Act, 2013.

**For Kirit & Co.**  
*Chartered Accountant*

**Sd/**  
**Kirit Kumar**  
*Proprietor*

M.No. 038047  
FRN: 132282W

Place: Ahmedabad  
Date: 28<sup>th</sup> May, 2014

### ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date:

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 at reasonable intervals. No material discrepancies were noticed on such verification by the management.
- c) In our opinion, the Company has not disposed off any substantial part of fixed assets during the year and the going concern status of the company is not affected.
2. a) The Inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records 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 balance 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.

S. No.	Name of the Party	Relation with the Company	Maximum Outstanding (in ₹)	Closing Balance As on 31/03/2014 (in ₹)
1.	KGN Bio Tech Limited	Subsidiary Company	4,91,88,751/-	4,11,28,751/-
2.	KGN Oil & Gas Private Limited	Subsidiary Company	1,43,65,000/-	1,25,11,060/-

- b) The Company has taken loans, secured or unsecured from the companies or other parties covered in the register maintained u/s 189 of the Companies Act, 2013. The Maximum amount granted during the year and year end balance 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.



S. No.	Name of the Party	Relation with the Company	Maximum Outstanding (in ₹)	Closing Balance As on 31/03/2014 (in ₹)
1.	KGN Industries Limited	Associates	19,28,65,120/-	15,88,39,809/-
2.	KGN Green Limited	Subsidiary	6,00,000	6,00,000/-
3.	KGN Protein Limited	Subsidiary	6,55,000/-	6,55,000/-

4. In our opinion and according to the information and explanation given to us, there are adequate Internal Control Procedure commensurate with size of a company and the nature of its business for purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
5.
  - a) In our opinion, and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under Section 189 of the Companies Act, 2013 have been so entered.
  - b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 189 of the Companies Act, 2013 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted deposits from the public, within the meaning of section 58A and 58AA of the Act and rules framed there under.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of the business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9.
  - a) According to the information and explanation given to us and the records of the company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Fund, Employees State Insurance, Income Tax, Sales Tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues applicable to it.
  - b) According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Custom Duty and Excise Duty were in arrears, as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date of their becoming payable.
  - c) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Custom Duty and Excise Duty which have not been deposited on account of any dispute.

10. In our opinion the Company has no accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. Based on our examination of the records and the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. Based on our examination or the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
13. In our opinion and according to the information and explanation given to us, the Company is not a chit fund or a Nidhi / Mutual benefit fund/society. Accordingly the provisions of the clause 4(xiii) of the said Order are not applicable to the Company.
14. During the year under audit, Company has not dealt or traded in shares, securities, debentures and other investments. Therefore we have no comments to offer under clause (xiv) of the Order.
15. According to the information and explanations given to us, the Company has not given any guarantee for Loans taken by others from bank or financial institutions.
16. The Company has not obtained any term loan during the year and therefore, we have no comments to offer under clause (xvi) of the Order.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion no funds raised on a short-term basis have not been used for long term investment and vise-a-versa, during the year.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 189 of the Companies Act, 2013.
19. According to the information and explanations given to us, the Company has not issued any debentures during the year.
20. According to the information and explanations given to us, the Company has not raised any money by way of public issue during the year and accordingly the provision of the relevant clause of the order is not applicable to the Company.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For Kirit & Co.**  
*Chartered Accountant*

**Sd/  
Kirit Kumar**  
*Proprietor*

M.No. 038047  
FRN: 132282W

Place: Ahmedabad  
Date: 28<sup>th</sup> May, 2014

**Balance Sheet as at 31<sup>st</sup> March, 2014**

(Amount in ₹)

Particulars		Note	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
1.	<b>Shareholder's Funds</b>			
	a) Share Capital	1	20,47,00,000	20,47,00,000
	b) Reserves and Surplus	2	48,69,19,475	48,57,65,173
2.	<b>Non-Current Liabilities</b>			
	a) Long Term Borrowings	3	15,88,39,809	19,28,95,120
	b) Deferred Tax Liabilities (net)		21,18,994	21,18,994
	c) Long-Term Provisions	4	1,28,42,054	1,16,750
3.	<b>Current Liabilities</b>			
	a) Short-Term Borrowings	5	12,55,000	-
	b) Trade Payables	6	23,71,363	22,29,724
	c) Other Current Liabilities	7	-2,14,898	15,49,215
	d) Short-Term Provisions	8	2,39,500	1,35,40,307
	<b>TOTAL</b>		<b>86,90,71,297</b>	<b>90,29,15,284</b>
<b>II.</b>	<b>ASSETS</b>			
1.	<b>Non-Current Assets</b>			
	a) Fixed Assets	9		
	i) Tangible Assets		44,16,19,215	44,13,05,203
	ii) Capital Work-In-Progress		10,17,75,299	10,17,75,299
	b) Non-Current Investments	10	16,55,000	16,55,000
	c) Long-Term Loans and Advances	11	6,44,43,843	22,73,165
2.	<b>Current Assets</b>			
	a) Inventories	12	3,09,58,677	5,52,63,992
	b) Trade Receivables	13	19,89,98,821	19,45,12,266
	c) Cash And Cash Equivalents	14	25,92,209	52,48,121
	d) Short-Term Loans and Advances	15	1,56,83,804	9,47,38,716
	e) Other Current Assets	16	1,13,44,429	61,43,523
	<b>TOTAL</b>		<b>86,90,71,297</b>	<b>90,29,15,284</b>
	<b>Significant Accounting Policies &amp; Notes to Accounts</b>	<b>1 To 28</b>		

The accompanying notes are an Integrate Part of Financial Statements.

As per our Report of even date.

**For Kirit & Co.**  
Chartered Accountants

**For and on behalf of the Board of Directors**

Sd/-  
**Kirit Kumar**  
Proprietor  
M. No. 038047  
FRN : 132282 W  
Date : 28.05.2014  
Place : Ahmedabad

Sd/-  
**Babulal J. Hirani**  
Managing Director

Sd/-  
**Mosin I Menon**  
Director

Date : 28.05.2014  
Place : Mumbai

**Profit and Loss Statement Balance for the year ended 31<sup>st</sup> March 2014**

(Amount in ₹)

	Particulars	Note	2013-2014	2012-2013
	<b>INCOME</b>			
I.	Revenue From Operations	17	8,46,26,530	58,69,64,203
II.	Other Income	18	1,38,37,705	1,55,00,346
III.	<b>Total Revenue (I + II) ₹</b>		<b>9,84,64,236</b>	<b>60,24,64,549</b>
	<b>EXPENDITURE</b>			
IV.	Purchase of Stock In Trade		6,77,53,494	50,02,75,709
	Changes in Inventories of Finished Goods			
	Works-in-Progress and Stock-in-Trade		2,43,05,315	4,14,51,622
	Employee Benefits Expense	19	20,37,802	89,78,561
	Finance Costs	20	30,731	1,30,659
	Depreciation and Amortization Expense	21	-	2,10,60,905
	Other Expenses	22	37,96,329	2,29,09,843
	<b>Total Expenses</b>		<b>9,79,23,672</b>	<b>59,48,07,299</b>
V.	<b>Profit Before Tax (III – IV)</b>		<b>5,40,564</b>	<b>76,57,250</b>
VI.	<b>Tax Expense :</b>			
	(1) Current Tax		1,00,000	14,59,089
	(2) Deferred Tax		-	-10,99,073
VII.	<b>Profit for the Year (V-VI)</b>		<b>4,40,564</b>	<b>72,97,234</b>
VIII.	<b>Earnings per Equity Shares of Face Value Rs. 10/-</b>			
	Basic		<b>0.02</b>	<b>0.36</b>
	Diluted		<b>0.02</b>	<b>0.36</b>
	<b>Significant Accounting Policies &amp; Notes to Accounts</b>	<b>1 to 28</b>		

The accompanying notes are an Integrate Part of Financial Statements.

As per our Report of even date.

**For Kirit & Co.**

*Chartered Accountants*

**Sd/-**

**Kirit Kumar**

*Proprietor*

M. No. 038047

FRN : 132282 W

Date : 28.05.2014

Place : Ahmedabad

**For and on behalf of the Board of Directors**

**Sd/-**

**Babulal J. Hirani**

*Managing Director*

Date : 28.05.2014

Place : Mumbai

**Sd/-**

**Mohsin I Memon**

*Director*

**Cash Flow Statement For The Year Ended 2013-2014**

(Amount in ₹)

Particulars		2013-2014	2012-2013
<b>A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit Before Tax as per Profit and Loss Statement	5,40,564	76,57,250
	<b>Balance Adjustment For :</b>		
	Depreciation and Amortization Expenses	-	2,10,60,905
	Finance Cost	30,731	1,30,659
	Interest on Fixed Deposits	-6,84,802	-2,10,539
	<b>Operating Profit before Working Capital Changes</b>	<b>-1,13,507</b>	<b>2,86,38,275</b>
	<b>Adjustment For :</b>		
	(Increase)/Decrease in Trade Receivable	-44,86,555	-16,62,64,178
	(Increase)/Decrease in Inventories	2,43,05,315	4,14,51,622
	(Increase)/Decrease Other Current Assets	-52,00,906	72,96,967
	(Increase)/Decrease in Trade Payable	1,41,639	-67,52,964
	(Increase)/Decrease in Other Current Liabilities	-17,64,113	14,17,238
	(Increase)/Decrease in Provision	-6,75,505	-10,89,362
	<b>Changes in Working Capital</b>	<b>1,23,19,874</b>	<b>-12,39,40,678</b>
	<b>Cash Generated From Operations</b>	<b>1,22,06,367</b>	<b>-9,53,02,403</b>
	Taxes Paid*	2,40,000	
	<b>Net Cash Flow from Operating Activities</b>	<b>1,19,66,367</b>	<b>-9,53,02,403</b>
<b>B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	-3,14,012	-69,52,854
	Interest on Fixed Deposits	6,84,802	2,10,539
	Movement in Short Term Loan and Advances	7,92,94,912	-3,02,89,410
	Movement in Long Term Loans and Advances	-6,21,70,678	1,65,469
	<b>Net Cash Used in Investing Activities</b>	<b>1,74,95,025</b>	<b>-3,68,66,256</b>
<b>C)</b>	<b>CASH FLOW FROM FINANCE ACTIVITIES</b>		
	Finance Cost	-30,731	-1,30,659
	Movement in Short Term Borrowings	12,55,000	-6,00,000
	Movement in Long Term Borrowing	-3,40,55,311	-14,32,71,860
	Redemption of Preference Shares	-	-50,00,000
	Warrant Issued & Forfeited During the Year	-	28,32,43,125
	Dividend Undeclared and Tax Thereon	7,13,738	4,75,846
	Dividend Proposed and Tax Thereon	-	-7,13,738
	<b>Net Cash used in Financing Activities</b>	<b>-3,21,17,304</b>	<b>13,40,02,714</b>
	<b>Net Cash Flow (A + B + C)</b>	<b>-26,55,912</b>	<b>18,34,055</b>
	Cash & Cash Equivalents at the beginning of the year	52,48,121	34,14,066
	<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>25,92,209</b>	<b>52,48,121</b>

As per our Report of even date.

**For Kirit & Co.**

*Chartered Accountants*

**Sd/-**

**Kirit Kumar**

*Proprietor*

M. No. 038047

FRN : 132282 W

Date : 28.05.2014

Place : Ahmedabad

**For and on behalf of the Board of Directors**

**Sd/-**

**Babulal J. Hirani**

*Managing Director*

Date : 28.05.2014

Place : Mumbai

**Sd/-**

**Mohsin I Memon**

*Director*

## **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The Financial Statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 2013, as adopted consistently by the Company.

**2. USE OF ESTIMATES:**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**3. FIXED ASSETS:**

Fixed Assets are stated at cost, net of modvat, less accumulated depreciation. All cost including financing costs till commencement of commercial productions, net charges on foreign exchange contracts and adjustments arising from exchange rate variations relating to borrowings attributable to the fixed assets are capitalized.

**4. DEPRECIATION:**

Depreciation has been provided on Straight Line Method in accordance with the provision of Section 205(2)(b) of the Companies Act, 2013 at the rates prescribed in Schedule XIV of the Companies Act, 2013. In case of addition the depreciation is being provided on pro-rata basis with reference to the month of Acquisition/Installation.

No depreciation has been provided during the year as assets are yet "PUT TO USE".

**5. INVESTMENTS:**

The Non- Current Investments are stated at cost. Provision for diminution in the value of Investments is made only if; such a decline is other than temporary. In the opinion of the management, there are no diminution in the value of Investment.

**6. INVENTORIES:**

- i. Valuation of Inventories is inclusive of Taxes or Duties incurred and on FIFO basis except otherwise stated.
- ii. Finished Stocks are being valued at direct cost or net realizable value whichever is lower.

**7. PRELIMINARY EXPENDITURE:**

Preliminary Expenses is to be written off in equal instalment over 5 years from the date of their incurrence.

No preliminary expenses have been written off during the year.

**8. REVENUE RECOGNITION:**

All incomes and expenditure are accounted on accrual basis except where stated otherwise.. Interest income is recognized on time proportion basis taking in to account the amount outstanding and rate applicable.

**9. TAXES ON INCOME:**

Provision for the current tax is made after taking into consideration benefit admissible under the provision of the Income Tax Act, 1961. Deferred Tax resulting from difference between depreciation as per Companies Act, 2013 and Income Tax Act, 1961. Deferred Tax Asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

No Deferred Tax Assets/Liabilities during the year.

**10. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions involving substantial degree of the estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

There are no such liabilities during the year.

**11. BORROWING COSTS**

The Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily take substantial period of time to get ready for its intended use. All other Borrowing Costs are charged to Profit & Loss Account.

There are no borrowing costs during the year.

**12. IMPAIRMENT OF ASSETS**

Consideration is given at each Balance Sheet date to determine whether there is any indication of Impairment of the Carrying Amount of the Company's Fixed Assets. If any indication exists, an asset's recoverable is estimated. An Impairment loss is recognized whenever Carrying Amount of an assets exceeds its Recoverable Amount. An asset is treated as impaired when the carrying cost exceeds its recoverable value.

There is no Impairment of assets during the year.

**13. FOREIGN CURRENCY TRANSACTIONS:**

i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of Transactions.

ii. Monetary Items denominated in foreign currency remaining unsettled at the end of the year, are reported using the closing rates. The exchange difference arising as a result of the above is recognized in the Profit and Loss Account.

iii. In case the monetary items are covered by the foreign exchange contracts, the difference between the year end rate and the exchange rate at the date of the inception of the forward exchange contract is recognized as exchange difference.

- iv. In respect of hedging transactions, the premium/discount represented by difference between the exchange rate as the date of inception of the forward exchange contract and forward rate specified in the contract is amortized as expense or income over the life of the contract.

**14. GENERAL ACCOUNTING POLICIES**

Accounting policies not specifically referred to are consistent with generally accepted accounting policies.

**For Kirit & Co.**

*Chartered Accountants*

**Sd/-**

**Kirit Kumar**

*Proprietor*

M. No. 038047

FRN : 132282 W

**For and on behalf of the Board of Directors**

**Sd/-**

**Babulal J. Hirani**

*Manging Director*

Date : 28.05.2014

Place : Ahmedabad

**Sd/-**

**Mohsin I Memon**

*Director*



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31<sup>st</sup> March 2014**

(Amount in ₹)

	As at 31 <sup>st</sup> March 2014		As at 31 <sup>st</sup> March 2013	
	Number	Amount	Number	Amount
<b>1. SHARE CAPITAL</b>				
<b>Authorised Share Capital</b>				
2,10,00,000 Equity shares of ₹ 10/- each. (P.Y.: 2,10,00,000 Equity Shares of ₹ 10/- each).	2,10,00,000	21,00,00,000	2,10,00,000	21,00,00,000
5,00,000 Preference Shares of ₹ 10 each (8% Non-Cumulative Redeemable Preference Shares)* P.Y.: 5,00,000 Preference Share of ₹ 10 each).	5,00,000	50,00,000	5,00,000	50,00,000
<b>TOTAL</b>	<b>2,15,00,000</b>	<b>21,50,00,000</b>	<b>2,15,00,000</b>	<b>21,50,00,000</b>
<b>Issued, Subscribed &amp; Paid up :</b>				
2,04,70,000 Equity shares of ₹ 10/- each. (P.Y.: 2,04,70,000 Equity Shares of ₹ 10/- each).	2,04,70,000	20,47,00,000	2,04,70,000	20,47,00,000
5,00,000 Preference Shares of ₹ 10 each (8% Non-Cumulative Redeemable Preference Shares)* P.Y.: 5,00,000 Preference Share of ₹ 10 each)	-	-	5,00,000	50,00,000
<b>TOTAL</b>	<b>2,04,70,000</b>	<b>20,47,00,000</b>	<b>2,09,70,000</b>	<b>20,97,00,000</b>

**1.1 The Reconciliation of the Number of Shares Outstanding is set out below :**

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year	2,04,70,000	20,47,00,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	<b>2,04,70,000</b>	<b>20,47,00,000</b>

1.2\* Preference Share have been redeemed last year.

**1.3 The details of shareholders holding more than 5% shares.**

	As at 31 <sup>st</sup> March 2014		As at 31 <sup>st</sup> March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
KGN Properties Private Limited	99,48,800	48.60%	99,48,800	48.60%

(Amount in ₹)

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>2. REESERVE &amp; SURPLUS</b>		
<b>A. Capital Reserve</b>		
Opening Balance	34,57,93,125	6,24,00,000
(+) Share Warrant Forfeited	-	28,33,93,125
	<b>34,57,93,125</b>	<b>34,57,93,125</b>
<b>B. Share Premium</b>	9,18,00,000	9,18,00,000
	<b>9,18,00,000</b>	<b>9,18,00,000</b>
<b>C. Capital Redemption Reserve</b>		
Opening Balance	50,00,000	-
(+) Transfer From Profit & Loss Account	-	50,00,000
	<b>50,00,000</b>	<b>50,00,000</b>
<b>D. Profit &amp; Loss Statement Balance</b>		
Opening Balance	4,31,72,048	4,11,12,707
(+) Current Year Transfer	4,40,564	72,97,234
(-) Transfer to Capital Redemption Reserve	-	50,00,000
Proposed Dividend on Equity Shares [Dividend Per Share – 0.03 (Previous Year ₹ 0.05/)]	-	6,14,100
Dividend Tax	-	99,638
<b>Undeclared Dividend* - F.Y. 2012-13</b>		
Undeclared Dividend	6,14,100	4,09,400
Tax on Undeclared Dividend	99,638	66,446
<b>Closing Balance</b>	<b>4,43,26,350</b>	<b>4,31,72,048</b>
<b>TOTAL</b>	<b>48,69,19,475</b>	<b>48,57,65,173</b>

2.1\* Dividend proposed in Board meeting was ₹ 0.03/- Share but Shareholder cancelled the proposed dividend and no dividend was declared in AGM held on 28.09.2013. Hence undeclared dividend with tax thereon now transferred to Reserve & Surplus.

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>3. LONG TERM BORROWINGS</b>		
<b>Unsecured</b>		
a) Loans and advances from related parties		
KGN Industries Limited	15,88,39,809	19,28,95,120
<b>Total</b>	<b>15,88,39,809</b>	<b>19,28,95,120</b>

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>4. LONG TERM PROVISIONS</b>		
a) Others		
Provision for Income Tax*	1,28,42,054	1,16,750
<b>Total</b>	<b>1,28,42,054</b>	<b>1,16,750</b>

4.1\* Provision for Income Tax for the A.Y. 2000-01, 2001-02, 2002-03, 2003-04, 2009-10, 2010-11, 2011-12

(Amount in ₹)

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>5. <u>SHORT TERM BORROWING</u></b>		
<b>Unsecured</b>		
<b>a) Loans and advance from related parties</b>		
KGN Green Limited	6,00,000	-
KGN Proteins Limited	6,55,000	-
<b>Total</b>	<b>12,55,000</b>	<b>-</b>

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>6. <u>TRADE PAYABLE</u></b>		
Sundry Creditors for Goods	-	
Sundry Creditors for Seed	3,56,626	6,01,876
Others	20,14,737	16,27,848
<b>Total</b>	<b>23,71,363</b>	<b>22,29,724</b>

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>7. <u>OTHER CURRENT LIABILITIES</u></b>		
<b><u>DUTIES AND TAXES</u></b>		
TDS Payable*	56,500	55,827
Vat Payable	1,39,518	-
Service Tax Payable**	3,25,811	-
<b><u>OTHER LIABILITIES</u></b>		
Salary Payable	-	3,94,318
Audit fees Payable	-	1,70,100
Professional Tax	20,350	12,200
Sundry Creditors for Projects	(41,540)	18,396
Sundry Creditors for Expense	(7,15,537)	71,892
Others	-	8,26,482
<b>Total</b>	<b>(2,14,898)</b>	<b>15,49,215</b>

7.1 \*Includes TDS u/s 194J.

7.2\* \*\* Service Tax Payable includes Second Installment of VCES Scheme of Service Tax due on 30.06.2014.

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>8. <u>SHORT TERM PROVISIONS</u></b>		
<b>Others</b>		
Proposed Dividend	-	6,14,100
Dividend Distribution Tax*	-	99,638
Provision for Expenses	-	8,666
Provision for Telephone Expenses	-	3,499
Provision for audit fees	1,39,500	89,100
Provision for Income tax	-	1,12,66,215
Provision for Income Tax A.Y. 2013-14	-	14,59,089
Provision for Income Tax A.Y. 2014-15	1,00,000	-
<b>Total</b>	<b>2,39,500</b>	<b>1,35,40,307</b>

8.1 \*Proposed dividend was cancelled by shareholders in AGM, hence transferred to Reserve & Surplus.

KGNI INDUSTRIES LIMITED  
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

(Amount in ₹)

	9.	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
			Balance as at 1 <sup>st</sup> April 2013	Additions / (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31 <sup>st</sup> March 2014	Balance as at 1 <sup>st</sup> April 2013	Depreciation charge for the year	Adjustments due to revaluations	On disposals	Balance as at 31 <sup>st</sup> March 2014	Balance as at 31 <sup>st</sup> March 2013
a.		Tangible Assets											
		Land	2,91,09,327	-	-	-	2,91,09,327	-	-	-	-	-	2,91,09,327
	3.34%	Building	17,89,80,454	-	-	-	17,89,80,454	3,52,71,868	-	-	-	-	14,37,08,587
	4.75%	Plant and Equipment	36,72,89,496	2,34,026	-	-	36,75,23,522	10,81,51,770	-	-	-	-	25,93,71,752
	6.33%	Furniture and Fixtures	64,19,919	-	-	-	64,19,919	27,27,981	-	-	-	-	36,91,938
	9.50%	Vehicles	20,70,913	-	-	-	20,70,913	7,78,298	-	-	-	-	12,92,615
	4.75%	Office Equipment	42,57,802	78,786	-	-	43,36,588	5,21,576	-	-	-	-	37,36,226
	16.21%	Computers	8,56,609	1,200	-	-	8,57,809	2,27,824	-	-	-	-	6,29,984
		<b>Total</b>	<b>58,89,84,520</b>	<b>3,14,012</b>	-	-	<b>58,92,98,532</b>	<b>14,76,79,317</b>	-	-	-	-	<b>44,16,19,215</b>
c.		Capital Work In Progress	10,17,75,299	-	-	-	10,17,75,299	-	-	-	-	-	10,17,75,299
		<b>Total</b>	<b>10,17,75,299</b>	-	-	-	<b>10,17,75,299</b>	-	-	-	-	-	<b>10,17,75,299</b>
		<b>Total</b>	<b>69,07,59,819</b>	<b>3,14,012</b>	-	-	<b>69,10,73,831</b>	<b>14,76,79,317</b>	-	-	-	-	<b>54,33,94,514</b>

(Amount in ₹)

	As at 31 <sup>st</sup> March 2014		As at 31 <sup>st</sup> March 2013	
	No. of Shares held	Amount	No. of Shares held	Amount
<b>10. <u>NON-CURRENT INVESTMENTS</u></b>				
<b>A. <u>TRADE INVESTMENTS</u></b>				
<b>B. <u>OTHER INVESTMENTS</u></b>				
<b>(A) In Equity Shares of Subsidiary Companies</b>				
<b><u>UNQUOTED</u>, fully Paid up</b>				
KGN Bio-Tech Limited	50,000	5,00,000	50,000	5,00,000
KGN Green Limited	50,000	5,00,000	50,000	5,00,000
KGN Oil & Gas Private Limited	10,000	1,00,000	10,000	1,00,000
KGN Proteins Limited	50,000	5,00,000	50,000	5,00,000
<b>(B) National Saving Certificate</b>		55,000		55,000
<b>TOTAL (A + B)</b>	<b>1,60,000</b>	<b>16,55,000</b>	<b>1,60,000</b>	<b>16,55,000</b>

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>11. <u>LONG TERM LOANS AND ADVANCES</u></b>		
<b>a. Loans and Advances to Related Parties</b>		
KGN Bio-Tech Limited	4,11,28,751	-
KGN Oil & Gas Private Limited	1,25,11,060	-
Others	16,19,158	-
<b>b. Security Deposits</b>		
Unsecured, considered good	22,19,665	22,19,665
GEB Security Deposit	2,000	2,000
CR Gas Agency	50,000	50,000
Deposit for Mumbai Office	1,500	1,500
Vodafone Deposit	4,06,603	-
FDR Against Bank Guarantee for EPCG	62,05,106	-
FDR Against EPCG	3,00,000	-
Security Deposit For Export	-	-
<b>TOTAL</b>	<b>6,44,43,843</b>	<b>22,73,165</b>

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>12. <u>INVENTORIES</u></b>		
Raw Material	30,66,719	46,13,916
Finished Goods	2,78,91,958	5,02,72,776
Trading	-	3,77,300
<b>TOTAL</b>	<b>3,09,58,677</b>	<b>5,52,63,992</b>

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>13. <u>TRADE RECEIVABLE</u></b>		
(Unsecured and Considered Good)		
Over Six Months	19,77,31,012	99,29,715
Other	12,67,809	18,45,82,551
<b>TOTAL</b>	<b>19,89,98,821</b>	<b>19,45,12,226</b>

(Amount in ₹)

		As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>14.</b>	<b><u>CASH AND CASH EQUIVALENTS</u></b>		
	a. Balance with banks	81,276	51,86,429
	b. Cash in hand	25,10,933	61,962
	<b>TOTAL</b>	<b>25,92,209</b>	<b>52,48,121</b>

		As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>15.</b>	<b><u>SHORT-TERM LOANS AND ADVANCES</u></b>		
	<b>a. Loans and Advances to Related parties</b>		
	KGN Bio-Tech Limited	-	4,80,58,751
	KGN Oil & Gas Private Limited	-	1,43,62,000
	Others	-	10,99,050
	<b>b. Security Deposit</b>		
	Unsecured, considered good	-	-
	FDR Against Bank Guarantee for EPCG	-	3,55,304
	FDR Against EPCG	-	58,05,179
	Security Deposit For Export	-	3,00,00
	<b>c. Other</b>		
	Unsecured, considered good	-	-
	Balance with Government Authority	1,58,01,604	2,48,72,447
	Advance Receivable in Cash	1,49,400	1,53,185
	Advance for Project	-2,67,200	-2,67,200
	Other Advances	-	-
	<b>TOTAL</b>	<b>1,56,83,804</b>	<b>9,47,38,716</b>

		As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>16.</b>	<b><u>OTHER CURRENT ASSETS</u></b>		
	Interest Income Receivable F.Y. 2013-14	1,30,867	-
	Duty Drawback Provision	124	30,724
	TDS Receivable 2012-13	-	6,235
	Preoperating Expenses Capitalization	1,12,13,438	61,06,564
	<b>TOTAL</b>	<b>1,13,44,429</b>	<b>61,43,523</b>

(Amount in ₹)

		2013-14	2012-13
<b>17.</b>	<b><u>REVENUE FROM OPERATION</u></b>		
	Export Sales	-	3,87,37,538
	Sales	8,46,26,530	54,82,26,665
	<b>TOTAL</b>	<b>8,46,26,530</b>	<b>58,69,64,203</b>

		2013-14	2012-13
<b>18.</b>	<b><u>OTHER INCOME</u></b>		
	Govt. Credit of MGVCL	-	-
	Interest Income	6,84,802	2,10,539
	Rounding Off	15,662	15,613
	Duty Drawback for Export Goods	-	3,77,096
	Foreign Exchange Gain	-95	2,85,390
	Other Income	1,31,37,336	1,46,11,707
	<b>TOTAL</b>	<b>1,38,37,705</b>	<b>1,55,00,346</b>

		2013-14	2012-13
<b>19.</b>	<b><u>EMPLOYEE BENEFITS EXPENSE</u></b>		
	Salaries and Incentives	15,73,759	83,29,234
	Salary of Directors	4,46,250	4,75,000
	Provident Fund Expenses	12,446	1,26,526
	Staff Welfare Expenses	5,348	47,801
	<b>TOTAL</b>	<b>20,37,802</b>	<b>89,78,561</b>

		2013-14	2012-13
<b>20.</b>	<b><u>FINANCE COST</u></b>		
	Bank Charges	24,900	1,11,372
	Interest Expenses*	5,831	19,287
	<b>TOTAL</b>	<b>30,731</b>	<b>1,30,659</b>

20.1 \*Includes interest paid on TDS & Service Tax late payment.

		2013-14	2012-13
<b>21.</b>	<b><u>DEPRECIATION &amp; AMORTISATION EXPENSES</u></b>		
	Depreciation on Fixed Assets	-	2,10,60,905
	<b>TOTAL</b>	<b>-</b>	<b>2,10,60,905</b>

21.1 \* No depreciation has been charged during the year.

(Amount in ₹)

	2013-14	2012-13
<b>22. OTHER EXPENSES</b>		
<b>A. <u>MANUFACTURING EXPENSES</u></b>		
Boiler Expenses	1,24,706	10,04,982
Brokerage Expenses	77	6,771
Diesel Expenses	7,951	-
Factory Expenses	30,498	13,13,465
Inward Freight Expenses	11	26,195
Laboratory & Testing Expenses	375	3,21,490
Loading & Unloading Expenses	45,722	15,89,231
Oil Mill Expenses	-	5,52,719
Packing & Forwarding Expense	-	809
Power & Fuel Expenses	14,06,793	61,66,089
Refinery Expenses	-	6,969
Solvent Plant Expenses	-	37,300
Transaction Expenses	52	-
<b>TOTAL (A)</b>	<b>16,16,185</b>	<b>1,10,26,021</b>
<b>B. <u>ADMINISTRATION EXPENSES</u></b>		
Advertisement Expenses	22,808	1,53,874
Annual Custody Expenses	25,000	1,15,731
Audit Fees Expenses	1,43,250	1,15,500
Brokerage Expenses	11,865	3,33,164
Conveyance Expenses	-	1,703
Computer & Printer Expenses	9,608	41,871
Conveyance Expenses	34,590	46,381
Donation Expenses	18,750	2,58,500
Export Related Expenses	2,809	18,20,246
Electricity Expenses	2,185	70,344
Hotel Club & Hospitality Expenses	21,409	-
Insurance Expenses	15,355	40,000
Rounding Off	27,996	-
Land Tax	13,288	55,812
Late Filing Fees	7,800	-
Legal & Professional Fees	7,77,222	10,93,198
Liasioning Expenses	1,05,200	-
Listing Fees A/c.	33,306	2,36,706
Market Cess	50,000	-
Membership Fees Expenses	-	1,34,879
Miscellaneous Expenses	-	2,85,830
Office Expenses	73,214	1,04,798
Other Expenses	-	5,38,593
Petrol Expense	78,017	1,88,405
Pooja Expenses	1,08,609	-
Postage & Courier Expenses	8,681	29,522
Printing & Stationery Expenses	17,606	95,425
Property Tax	15,392	-
Registration Fees	2,146	-
Rent & Reimbursement Expenses	-	4,200
Repair & Maintenance Expenses	-	26,610
ROC Expenses	1,25,000	27,088
Security Expenses	1,64,275	4,46,718
Telephone & Modem Expenses	79,781	2,32,121
Trading Expenses	2,081	-
Transport Expenses	89,621	49,56,974
Travelling Expense	2,01,621	4,22,929
Vehicle Expenses	2,472	-
Web Development Expenses	625	2,500
Weigh Bridge Expenses	12,324	4,200
<b>TOTAL (B)</b>	<b>21,80,145</b>	<b>1,18,83,822</b>
<b>TOTAL (A + B)</b>	<b>37,96,329</b>	<b>2,29,09,843</b>



23. In the opinion of the Board of Directors, Current Assets, Non-Current Assets approximate 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.
24. The Revised Schedule VI as notified under the Companies Act, 2013 has become applicable to the company for the presentation of its Financial Statements for the year ending March 31, 2014. The adoption of Revised Schedule VI requirements has significantly modified the presentation disclosure which have been within these Financial Statements. Previous year figures have been regrouped/rearranged wherever necessary to conform to the current year grouping.
25. Contingent Liability is not provided.
26. All Debit and Credit balance and accounts squared up during the year are subject to confirmation from respective parties.
27. **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 :**

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

**ii) Transaction during the year with Related Parties :**

S. No.	Name of Related Party	Nature of Transaction	Transaction Amount (in ₹)	Closing Balance (in ₹)
1	KGN Greens Limited	Loan Taken	6,00,000	6,00,000
2	KGN Proteins Limited	Loan Taken	6,55,000	6,55,000
3	KGN Bio-Tech Limited	Loan Given	23,16,452	4,80,58,751
4	KGN Oil & Gas Private Limited	Repayment of Loan Taken	18,53,940	1,25,11,060
5	KGN Industries Limited	Repayment of Loan Taken	3,40,55,311	15,88,39,809
6	Ismail Memon	Director Remuneration	3,00,000	NIL
7	Babulal J. Hirani	Director Remuneration	1,20,000	NIL
8	Mohsin Memon	Director Remuneration	3,00,000	NIL

## 28. DETAILS OF PAYMENT TO THE AUDITOR.

(Amount In ₹)

	Payment to the Auditor	2013-2014 (Amount in ₹)	2012-2013 (Amount in ₹)
a.	For Statutory Audit	50,000	50,000
b.	For Tax Audit	30,000	30,000
c.	For Consulting Fees	19,000	19,000
d.	Cost Audit Fees	40,500	16,500
e.	Vat Audit	5,000	nil

**For Kirit & Co.***Chartered Accountants***Sd/-****Kirit Kumar***Proprietor*

M. No. 038047

FRN : 132282 W

Date : 28.05.2014

Place : Ahmedabad

**For and on behalf of the Board of Directors****Sd/-****Babulal J. Hirani***Managing Director***Sd/-****Mohsin I Memon***Director*

## **INDEPENDENT AUDITORS' REPORT**

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

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **KGN ENTERPRISES LIMITED ("the Company)**, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the statement of Profit & Loss and Cash Flow Statement for the year ended and a summary of Significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 2013 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the 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 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriates 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 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, the aforesaid 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:

- a. In the case of the Balance Sheet, of the state of affairs of the company as on 31<sup>st</sup> March, 2014.
- b. In the case of the Profit & Loss Account Statement Balance, of the profit for the year ended on 31<sup>st</sup> March, 2014.
- c. In the case of the Cash Flow Statement, of the Cash Flows for the year ended on 31<sup>st</sup> March, 2014.

**For Kirit & Co**  
*Chartered Accountant*  
**Kirit Kumar**  
*Proprietor*  
M.No. 038047  
FRN: 132282W

Place: Ahmedabad  
Date: 28<sup>th</sup> May, 2014

Consolidated Balance Sheet as at 31<sup>st</sup> March, 2014

(Amount in ₹)

Particulars		Note	As at 31 <sup>st</sup> , March, 2014	As at 31 <sup>st</sup> , March, 2013
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1.</b>	<b>Shareholder's Funds</b>			
	a) Share Capital	1	20,47,00,000	20,47,00,000
	b) Reserves and Surplus	2	48,72,82,977	48,60,91,803
<b>2.</b>	<b>Non-Current Liabilities</b>			
	a) Long-Term Borrowings	3	15,88,39,809	19,28,95,120
	b) Deferred Tax Liabilities (net)	4	21,18,994	21,18,994
	c) Long-Term Provisions	5	1,28,42,054	1,16,750
<b>3.</b>	<b>Current Liabilities</b>			
	a) Trade Payables	6	1,17,10,606	1,23,42,123
	b) Other Current Liabilities	7	9,27,243	46,99,147
	c) Short-Term Provisions	8	3,02,967	1,35,79,118
	<b>TOTAL</b>		<b>87,87,24,650</b>	<b>91,65,43,055</b>
<b>II.</b>	<b>ASSETS</b>			
<b>1.</b>	<b>Non-Current Assets</b>			
	a) Fixed Assets	9		
	i) Tangible Assets		45,72,35,757	45,78,75,146
	ii) Capital Work in Progress		16,07,14,874	16,32,70,053
	b) Non-Current Investments	10	55,000	55,000
	c) Long-Term Loans and Advances	11	1,08,04,032	22,73,165
	d) Other Non-Current Assets	12	26,989	53,978
<b>2.</b>	<b>Current Assets</b>			
	a) Inventories	13	3,11,47,498	6,18,39,295
	b) Trade Receivables	14	18,25,87,469	17,63,60,134
	c) Cash And Cash Equivalents	15	29,22,340	86,81,067
	d) Short-Term Loans and Advances	16	2,13,04,236	3,94,09,668
	e) Other Current Assets	17	1,19,26,455	67,25,550
	<b>TOTAL</b>		<b>87,87,24,650</b>	<b>91,65,43,055</b>
	<b>Significant Accounting Policies &amp; Notes to Accounts</b>	<b>1 To 28</b>		

For Kirit & Co.  
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-  
Kirit Kumar  
Proprietor  
M. No. 038047  
FRN : 132282 W  
Date : 28.05.2014  
Place : Ahmedabad

Sd/-  
Babulal J. Hirani  
Managing Director

Sd/-  
Mohsin I Memon  
Director

Date : 28.05.2014  
Place : Mumbai

**Consolidated Profit and Loss Statement Balance  
for the year ended 31<sup>st</sup> March 2014**

(Amount in ₹)

	Particulars	Note	2013-2014	2012-2013
	<b>INCOME</b>			
I.	Revenue From Operations	18	9,28,86,180	59,02,84,926
II.	Other Income	19	1,59,88,072	1,55,77,386
III.	<b>Total Revenue (I + II)</b>		<b>10,88,74,252</b>	<b>60,58,,62,312</b>
	<b>EXPENDITURE</b>			
IV.	Purchase of Stock In Trade		6,81,35,682	50,38,25,176
	Changes in Inventories of Finished Goods			
	Work in Progress and Stock In Trade		3,06,91,796	3,89,26,294
	Employee Benefits Expense	20	31,61,402	89,78, 561
	Finance Costs	21	30,731	1,30,659
	Depreciation and Amortization Expense	22	9,80,390	2,10,87,895
	Other Expenses	23	52,76,185	2,51,86,340
	<b>Total Expenses</b>		<b>10,82,76,186</b>	<b>59,81,34,925</b>
V.	<b>Profit Before Tax (III – IV)</b>		<b>5,98,066</b>	<b>77,27,387</b>
VI.	<b>Tax Expense :</b>			
	(1) Current Tax		1,20,630	14,80,764
	(2) Deferred Tax		-	-10,99,073
VII.	<b>Profit for the Year (V-VI)</b>		<b>4,77,436</b>	<b>73,45,696</b>
VIII.	<b>Earnings per Shares of Rs.10/- each:</b>			
	Basic		0.02	0.36
	Diluted		0.02	0.36
	<b>Significant Accounting Policies &amp; Notes to Accounts</b>	<b>1 to 29</b>		

For Kirit & Co.  
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-  
Kirit Kumar  
Proprietor  
M. No. 038047  
FRN : 132282 W  
Date : 28.05.2014  
Place : Ahmedabad

Sd/-  
Babulal J. Hirani  
Managing Director

Sd/-  
Mohsin I Memon  
Director

Date : 28.05.2014  
Place : Mumbai

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 2013-2014**

(Amount in ₹)

Particulars		2013-2014	2012-2013
<b>A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net Profit Before Tax as per Profit and Loss Statement</b>		
	<b>Balance Adjustment For :</b>		
	Depreciation and Amortization Expenses	5,98,066	77,27,387
	Finance Cost	9,80,390	2,10,87,895
	Interest on Fixed Deposits	30,731	1,30,659
		-6,84,802	-2,41,062
	<b>Operating Profit before Working Capital Changes</b>	<b>9,24,385</b>	<b>2,87,04,880</b>
	<b>Adjustment For :</b>		
	(Increase)/Decrease in Inventory	3,06,91,797	3,89,26,294
	(Increase)/Decrease in Trade Receivable	-62,27,335	-14,59,85,091
	(Increase)/Decrease in Other Current Assets	-52,00,905	90,59,567
	(Increase)/Decrease in Trade Payable	-6,31,517	-51,07,942
	(Increase)/Decrease in Other Current Liabilities	-37,71,904	36,37,136
	(Increase)/Decrease in Short Term Provision	-1,33,96,781	-19,44,189
	(Increase)/Decrease in Long Term Provision	1,29,86,132	-
	<b>Changes in Working Capital</b>	<b>1,44,49,487</b>	<b>-10,14,14,226</b>
	<b>Cash Generated From Operations</b>	<b>1,53,73,872</b>	<b>-7,27,09,346</b>
	Taxes Paid*	2,60,828	-
	<b>Net Cash Flow from Operating Activities</b>	<b>1,51,13,044</b>	<b>-7,27,09,346</b>
<b>B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	22,41,166	-4,38,53,336
	Movement in Long Term Loans and Advances	-85,30,867	1,65,469
	Movement in Short Term Loan and Advances	1,81,05,432	-1,73,80,782
	Interest on Fixed Deposit and Dividend Income	6,84,802	2,41,062
	<b>Net Cash Used in Investing Activities</b>	<b>1,25,00,533</b>	<b>-6,08,27,587</b>
<b>C)</b>	<b>CASH FLOW FROM FINANCE ACTIVITIES</b>		
	Finance Cost	-30,731	-1,30,659
	Movement in Long Term Borrowing	-3,40,55,311	-14,32,71,860
	Proceed from Deposit	-	20,00,000
	Warrant Issued and Forfeited	-	28,32,43,125
	Preference Share Redeemed	-	-50,00,000
	Dividend Undeclared and Tax there on	7,13,738	4,75,846
	<b>Net Cash used in Financing Activities</b>	<b>-3,33,72,304</b>	<b>13,73,16,452</b>
	<b>Net Cash Flow (A + B + C)</b>	<b>-57,58,727</b>	<b>37,79,519</b>
	Cash & Cash Equivalents at the beginning of the year	86,81,067	49,01,548
	<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>29,22,340</b>	<b>86,81,067</b>

\* This amount related to Self-Assessment Tax paid by the Holding and its Subsidiaries Company during the year

As per our Report of even date.

For Kirit & Co.  
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-  
Kirit Kumar  
Proprietor  
M. No. 038047  
FRN : 132282 W  
Date : 28.05.2014  
Place : Ahmedabad

Sd/-  
Babulal J. Hirani  
Managing Director  
Date : 28.05.2014  
Place : Mumbai

Sd/-  
Mohsin I Memon  
Director

## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

### 1. **PRINCIPLES OF CONSOLIDATION:**

The Consolidated Financial Statements comprises of the Financial Statements of KGN Industries Limited (the Holding Company) and its Subsidiaries. The Consolidated Financial Statements have been prepared on the following basis:

- i) The 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 Accounting Standard (AS) 21- "Consolidated Financial Statements".
- ii) The difference between the Cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill Or Capital Reserve, as the case may be.
- iii) As far as possible, the consolidated 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 financial statements.

2. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting For Investments".

### 3. **OTHER SIGNIFICANT ACCOUNTING POLICIES**

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

**The Subsidiary Companies considered in the Consolidated Financial Statements are:**

Subsidiaries	Country of Incorporation	Shareholding %
KGN Oil & Gas Limited	India	100.00%
KGN Bio-Tech Limited	India	100.00%
KGN Green Limited	India	100.00%
KGN Protein Limited	India	100.00%

**For Kirit & Co.**

*Chartered Accountants*

**Sd/-**

**Kirit Kumar**

*Proprietor*

M. No. 038047

FRN : 132282 W

Date : 28.05.2014

Place : Ahmedabad

**For and on behalf of the Board of Directors**

**Sd/-**

**Babulal J. Hirani**

*Managing Director*

Date : 28.05.2014

Place : Mumbai

**Sd/-**

**Mohsin I Memon**

*Director*

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> March 2014**

(Amount in ₹)

	As at 31 <sup>st</sup> March 2014		As at 31 <sup>st</sup> March 2013	
	Number	Amount	Number	Amount
<b>1. SHARE CAPITAL</b>				
<b>Authorised Share Capital</b>				
2,10,00,000 Equity shares of ₹ 10/- each (P.Y.: 2,10,00,000 Equity Shares of ₹ 10/- each)	2,10,00,000	21,00,00,000	2,07,00,000	20,70,00,000
5,00,000 Preference Shares of ₹ 10 each (8% Non-Cumulative Redeemable Preference Shares) (P.Y.: 5,00,000 Preference Shares of ₹ 10 each)	-	-	5,00,000	50,00,000
	<b>2,10,00,000</b>	<b>21,00,00,000</b>	<b>2,12,00,000</b>	<b>21,20,00,000</b>
<b>Issued, Subscribed &amp; Paid up :</b>				
2,04,70,000 Equity shares of ₹ 10/- each (P.Y.: 2,04,70,000 Equity Shares of ₹ 10/- each)	2,04,70,000	20,47,00,000	2,04,70,000	20,47,00,000
5,00,000 Preference Shares of ₹ 10 each (8% Non-Cumulative Redeemable Preference Shares) (P.Y.: 5,00,000 Preference Shares of ₹ 10 each)	-	-	-	-
<b>TOTAL</b>	<b>2,04,70,000</b>	<b>20,47,00,000</b>	<b>2,04,70,000</b>	<b>20,47,00,000</b>

**1.1 The Reconciliation of the Number of Shares Outstanding is set out below :**

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year	2,04,70,000	20,47,00,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	<b>2,04,70,000</b>	<b>20,47,00,000</b>

**1.2 \*Preference Share have been Redeemed during the year.****1.3 The details of the shareholders holding more than 5% shares:**

	As at 31 <sup>st</sup> March 2014		As at 31 <sup>st</sup> March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
KGN Properties Private Limited	99,48,800	48.60	99,48,800	48.60



(Amount in ₹)

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>2. REESERVE &amp; SURPLUS</b>		
<b>A. Capital Reserve</b>		
Opening Balance	34,57,93,125	6,24,00,000
(+) Share Forfeiture A/c Balance	-	28,33,93,125
	<b>34,57,93,125</b>	<b>34,57,93,125</b>
<b>B. Share Premium</b>	9,18,00,000	9,18,00,000
	<b>9,18,00,000</b>	<b>9,18,00,000</b>
<b>C. Capital Redemption Reserve</b>		
Opening Balance	50,00,000	-
(+) Transfer From Profit & Loss Account	-	50,00,000
	<b>50,00,000</b>	<b>50,00,000</b>
<b>D. Profit and Loss Statement Balance</b>		
Opening Balance	4,31,72,048	4,11,12,707
(+) Current Year Transfer	4,40,564	72,97,234
(-) Transfer to Capital Redemption Reserve	-	50,00,000
Proposed Dividend on Equity Shares [Dividend Per Share – 0.03 (Previous Year ₹ 0.05/)]	-	6,14,100
Dividend Tax	-	99,638
<b>Undeclared Dividend* - F.Y. 2012-13</b>		
Undeclared Dividend	6,14,100	4,09,400
Tax on Undeclared Dividend	99,638	66,446
<b>Closing Balance</b>	<b>7,13,81,734</b>	<b>7,01,90,560</b>
<b>E. Profit &amp; Loss A/c. (SATIL Division)</b>	<b>-2,66,91,882</b>	<b>-2,66,91,882</b>
<b>TOTAL</b>	<b>48,72,82,977</b>	<b>51,99,64,192</b>

2.1 \*Dividend proposed in Board meeting was ₹0.03/- Share but Shareholder cancelled the proposed dividend and no dividend was declared in AGM held on 28.09.2013. Hence undeclared dividend with tax thereon now transferred to Reserve & Surplus.

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>3. LONG TERM BORROWING</b>		
<b>Unsecured</b>		
<b>a) Loans and advances from related parties</b>		
KGN Industries Limited	15,88,39,809	19,28,95,120
<b>Total</b>	<b>15,88,39,809</b>	<b>19,28,95,120</b>

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>4. DEFERRED TAX LIABILITIES</b>		
Opening Balance	21,18,994	32,18,067
Add : During the year	-	(10,99,073)
<b>Total</b>	<b>21,18,994</b>	<b>21,18,994</b>

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>5. LONG TERM PROVISION</b>		
<b>a) Others</b>		
Provision for Income Tax*	1,28,42,054	1,16,750
<b>Total</b>	<b>1,28,42,054</b>	<b>1,16,750</b>

5.1 \*Provision for Income Tax for the A.Y. 2000-01, 2001-02, 2002-03, 2003-04, 2009-10, 2010-11, 2011-12.

(Amount in ₹)

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>6. TRADE PAYABLE</b>		
Sundry Creditors for Seed	3,56,626	6,01,876
Sundry Creditors for Services	1,01,12,399	1,01,12,399
Others	12,41,581	16,27,848
<b>Total</b>	<b>1,17,10,606</b>	<b>1,23,42,123</b>

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>7. OTHER CURRENT LIABILITIES</b>		
Legal Charges Payable	-	5,618
Audit Fees Payable	35,276	2,04,814
Salary Payable	-	3,94,318
TDS Payable	56,500	26,22,685
Professional Tax	20,350	12,200
Service Tax Payable**	3,41,657	-
Sundry Creditors for Expense	4,41,750	6,14,633
Sundry Creditors for Projects	(41,540)	18,396
Security Expenses	(7,15,537)	-
Vat Payable	1,68,216	-
Others	6,20,571	8,26,482
<b>Total</b>	<b>9,27,243</b>	<b>46,99,147</b>

7.1 \*Includes TDS u/s 194J.

7.2 \*\*Service Tax Payable includes Second Installment of VCES Scheme of Service Tax due on 30.06.2014.

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>8. SHORT TERM PROVISIONS</b>		
<b>(a) Others</b>		
Proposed Dividend	-	6,14,100
Dividend Distribution Tax*	-	99,638
Provision for Expenses	-	8,666
Provision for audit fees	1,64,354	89,100
Provision for Telephone Expenses	-	3,499
Provision for Income Tax	-	1,12,83,351
Provision for Income Tax A.Y. 2012-13	17,136	14,80,764
Provision for Income Tax A.Y. 2013-14	847	-
Provision for Income Tax A.Y. 2014-15	1,20,630	-
<b>Total</b>	<b>3,02,967</b>	<b>1,35,79,118</b>

8.1 \*Proposed dividend was cancelled by shareholders in AGM, hence transferred to Reserve & Surplus.

**KGN INDUSTRIES LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

(Amount in ₹)

9.	Fixed Assets	Gross Block						Accumulated Depreciation				Net Block	
		Balance as at 1 <sup>st</sup> April 2013	Additions / (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31 <sup>st</sup> March 2014	Balance as at 1 <sup>st</sup> April 2013	Depreciation charge for the year	Adjustments due to revaluations	On disposals	Balance as at 31 <sup>st</sup> March 2014	Balance as at 31 <sup>st</sup> March 2013	
a.	<b>Tangible Assets</b>												
	Land	2,91,09,327	-	-	-	2,91,09,327	-	-	-	-	-	-	2,91,09,327
3.34%	Building	17,89,80,454	-	-	-	17,89,80,454	3,52,71,868	-	-	-	-	3,52,71,868	14,37,08,587
4.75%	Plant and Equipment*	38,25,12,652	2,34,026	-	-	38,28,46,678	10,81,51,770	-	-	-	-	10,81,51,770	27,46,94,908
6.33%	Furniture and Fixtures	64,19,919	-	-	-	64,19,919	27,27,981	-	-	-	-	27,27,981	36,91,938
9.50%	Vehicles	20,70,913	-	-	-	20,70,913	7,78,298	-	-	-	-	7,78,298	12,92,615
4.75%	Office Equipment	45,51,188	78,786	-	-	46,29,974	5,21,576	-	-	-	-	5,21,576	41,08,398
100%	Data Package	9,53,400	1,200	-	-	9,53,400	2,27,824	9,53,400	-	-	-	9,53,400	-
16.21%	Computers	8,56,609	-	-	-	8,57,809	-	-	-	-	-	2,27,824	6,29,985
	<b>Total</b>	<b>60,55,54,462</b>	<b>3,14,012</b>	<b>-</b>	<b>-</b>	<b>60,58,68,474</b>	<b>14,76,79,317</b>	<b>9,53,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,786,32,717</b>	<b>45,72,35,757</b>
c.	Capital Work In Progress	16,32,70,052	-25,55,178	-	-	16,07,14,874	-	-	-	-	-	14,86,32,717	16,07,14,874
	<b>Total</b>	<b>16,32,70,052</b>	<b>-25,55,178</b>	<b>-</b>	<b>-</b>	<b>16,07,14,874</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,07,14,874</b>
	<b>Total</b>	<b>76,88,24,514</b>	<b>-22,41,166</b>	<b>-</b>	<b>-</b>	<b>76,65,83,348</b>	<b>14,76,79,317</b>	<b>9,53,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,86,32,717</b>	<b>61,79,50,631</b>
													<b>62,11,45,197</b>

(Amount in ₹)

		As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>10.</b>	<b><u>NON-CURRENT INVESTMENTS</u></b>		
	<b>A. OTHER INVESTMENTS</b>		
	National Saving Certificate	55,000	55,000
	<b>TOTAL</b>	<b>55,000</b>	<b>55,000</b>

		As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>11.</b>	<b><u>LONG TERM LOANS AND ADVANCES</u></b>		
	<b>A. Loans and Advances to Related Parties</b>		
	Others	16,19,158	-
	<b>B. Security Deposit</b>		
	<b>Unsecured, considered good</b>		
	GEB Security Deposit	22,19,665	22,19,665
	Cr Gas Agency	2,000	2,000
	Deposit for Mumbai Office	50,000	50,000
	Vodafone Deposit	1,500	1,500
	FDR Against Bank Guarantee For EPCG	4,06,603	-
	FDR Against EPCG	62,05,106	-
	Security Deposit For Export	3,00,000	-
	<b>TOTAL</b>	<b>1,08,04,032</b>	<b>22,73,165</b>

		As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>12.</b>	<b><u>OTHER NON-CURRENT ASSETS</u></b>		
	Preliminary Expenses not Written off	26,989	53,978
	<b>TOTAL</b>	<b>26,989</b>	<b>53,978</b>

		As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>13.</b>	<b><u>INVENTORIES</u></b>		
	Raw Material	32,55,540	46,91,484
	Finished Goods	2,78,91,958	5,67,70,146
	Trading	-	3,77,300
	<b>TOTAL</b>	<b>3,11,47,498</b>	<b>6,18,39,295</b>

		As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>14.</b>	<b><u>TRADE RECEIVABLE</u></b>		
	<b>(Unsecured and Considered Good)</b>		
	Over Six Months	18,09,85,162	1,03,33,815
	Other	16,02,307	16,60,26,320
	<b>TOTAL</b>	<b>18,25,87,469</b>	<b>17,63,60,134</b>

		As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>15.</b>	<b><u>CASH AND CASH EQUIVALENTS</u></b>		
	Balance with banks	4,00,677	85,11,057
	Cash in hand	25,21,663	1,70,010
	<b>TOTAL</b>	<b>29,22,340</b>	<b>86,81,067</b>

(Amount in ₹)

		As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>16.</b>	<b><u>SHORT-TERM LOANS AND ADVANCES</u></b>		
	<b>A. Loans and Advances to Related parties</b>		
	Others	-	10,99,050
	<b>B. Security Deposit</b>		
	<b>Unsecured, considered good</b>		
	Deposit with Revenue Authority	1,40,000	1,40,000
	FDR Against Bank Guarantee for EPCG	-	3,55,304
	FDR Against EPCG	-	58,05,179
	N.S.C. Deposit for Sales Tax	60,000	60,000
	Security Deposit For Export	-	3,00,000
	<b>C. Other</b>		
	<b>Unsecured, Considered Goods</b>		
	Balance with Government Authority	1,69,50,772	2,59,70,738
	Advance Receivables in Cash	1,49,400	1,53,185
	Service Tax Input Credit	26,40,622	28,15,407
	Duty Drawback Receivable	21,769	21,769
	VAT Refund Claim	15,83,873	16,09,515
	Advance for Project	-2,67,200	10,54,521
	Other Advances	25,000	25,000
	<b>TOTAL</b>	<b>2,13,04,236</b>	<b>3,94,09,668</b>

		As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
<b>17.</b>	<b><u>OTHER CURRENT ASSETS</u></b>		
	Duty Drawback Provision	124	30,724
	Interest Income Receivable F.Y. 2013-14	1,30,867	-
	TDS Receivable A.Y. 2012-13	-	6,235
	Preliminary Expenses not Written Off	26,989	26,990
	Preoperating Expenses for Capitalization	1,17,68,475	66,61,601
	<b>TOTAL</b>	<b>1,19,26,455</b>	<b>67,25,550</b>

(Amount in ₹)

		2013 - 2014	2012 - 2013
<b>18.</b>	<b><u>REVENUE FROM OPERATION</u></b>		
	Export Sales	-	4,37,14,680
	Sales	9,28,86,180	54,65,34,937
	Other Operating Income	-	35,310
	<b>TOTAL</b>	<b>9,28,86,180</b>	<b>59,02,84,926</b>

		2013 - 2014	2012 - 2013
<b>19.</b>	<b><u>OTHER INCOME</u></b>		
	Duty Drawback Income	-	4,23,872
	Foreign Exchange Gain	-95	2,85,390
	Interest Income	6,84,802	2,41,062
	Kasar & VataV	20,262	15,354
	License Fees	1,48,417	-
	Consultancy Charges	19,50,000	-
	Other Income	1,31,84,686	1,46,11,707
	<b>TOTAL</b>	<b>1,59,88,072</b>	<b>1,55,77,386</b>

		2013 - 2014	2012 - 2013
<b>20.</b>	<b><u>EMPLOYEE BENEFITS EXPENSE</u></b>		
	Salaries and Incentives	25,83,219	83,29,234
	Salary of Directors	5,06,250	4,75,000
	Provident Fund Expenses	12,446	1,26,526
	Staff Welfare Expenses	59,487	47,801
	<b>TOTAL</b>	<b>31,61,402</b>	<b>89,78,561</b>

		2013 - 2014	2012 - 2013
<b>21.</b>	<b><u>FINANCE COST</u></b>		
	Bank Charges	24,900	1,11,372
	Interest Expenses	5,831	19,287
	<b>TOTAL</b>	<b>30,731</b>	<b>1,30,659</b>

21.1 \* Includes interest paid on TDS and Service Tax Late Payment.

		2013 - 2014	2012 - 2013
<b>22.</b>	<b><u>DEPRECIATION &amp; MORTISATION EXPENSES</u></b>		
	Depreciation for the year	9,53,400	2,10,60,905
	Preliminary Expense Written off during the year	26,990	26,990
	<b>TOTAL</b>	<b>9,80,390</b>	<b>2,10,87,895</b>

22.1 \* Depreciation related the KGN Oil & Gas Private Limited a subsidiary of KGN Enterprises Limited.

(Amount in ₹)

	2013-14	2012-13
<b>23. OTHER EXPENSES</b>		
<b>A. <u>MANUFACTURING EXPENSES</u></b>		
Boiler Expenses	1,24,706	10,04,982
Brokerage Expenses	77	6,771
Diesel Expenses	7,951	-
Factory Expenses	40,143	15,72,402
Freight Inward Expenses	3,751	35,455
Insurance Charges	-	15,000
Laboratory & Testing Expenses	26,619	4,55,096
Loading & Unloading Expenses	46,208	16,09,941
Oil Mill Expenses	-	5,52,719
Packing & Forwarding Expense	-	809
Power & Fuel Expenses	14,06,793	61,66,089
Refinery Expenses	-	6,969
Solvent Plant Expenses	-	37,300
Transaction Expenses	52	-
<b>TOTAL (A)</b>	<b>16,56,300</b>	<b>1,14,63,533</b>
<b>B. <u>ADMINISTRATION EXPENSES</u></b>		
Advertisement Expenses	22,808	1,53,874
Annual Custody Expenses	25,000	1,15,731
Audit Fees Expenses	1,71,284	1,38,534
Bad Debts Written Off	-	329
Bank Related Charges	11,677	12,780
Bank Commission	-	24,223
Brokerage Expenses	11,865	3,35,495
Computer & Printer Expenses	9,608	41,871
Conveyance Expenses	1,41,275	49,349
Donation Expenses	18,750	2,58,500
Export Related Expenses	2,809	21,22,867
Electricity Expenses	2,185	70,344
Food & Refreshment Expenses	1,000	491
Freight Outward Expenses	-	5,000
Hotel Club & Hospitality Expenses	21,409	-
Interest on TDS	-	301
Interest on Service Tax Payment	1,771	-
Insurance Expenses	15,355	40,000
Rounding Off	27,996	-
Land Tax	13,288	55,812
Late Filing Fees	7,800	-
Legal & Professional Fees	7,94,222	10,95,445
Liasioning Expenses	1,07,100	-
Listing Fees A/c.	33,306	2,36,706
Market Cess	50,000	-
Membership Fees Expenses	-	1,36,879
Miscellaneous Expenses	68,031	2,85,830
Mod Charges	-	2,000
Office Expenses	90,914	1,40,598
Other Expenses	-	5,38,593
Petrol Expense	78,017	1,88,405
Pooja Expenses	1,08,609	-
Postage & Courier Expenses	42,981	32,659
Printing & Stationery Expenses	66,748	1,00,225
Property Tax	15,392	-
Registration Fees Expenses	11,134	90,290
Rent & Reimbursement Expenses	-	4,200
Repair & Maintenance	-	26,610
ROC Expenses	4,250	37,023
Security Expenses	3,27,875	8,27,742
Stamping Expenses	-	300
Telephone & Modem Expenses	91,061	2,57,831
Trading Expenses	2,081	-
Transport Expenses	7,95,242	58,63,040
Travelling Expense	4,11,621	4,26,229
Vehicle Expenses	2,472	-
Web Development Expenses	625	2,500
Weigh Bridge Expenses	12,324	4,200
<b>TOTAL (B)</b>	<b>36,19,885</b>	<b>1,37,22,807</b>
<b>TOTAL (A + B)</b>	<b>52,76,185</b>	<b>2,51,86,340</b>

24. In the opinion of the Board of Directors, Current Assets, Non-Current Assets approximate 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.
25. The Revised Schedule VI as notified under the Companies Act, 2013 has become applicable to the company for the presentation of its Financial Statements for the year ending March 31, 2014. The adoption of Revised Schedule VI requirements has significantly modified the presentation disclosure which have been within these Financial Statements. Previous year figures have been regrouped/rearranged wherever necessary to conform to the current year grouping.
26. Contingent Liability is not provided for is ₹ 'NIL'.
27. All Debit and Credit balance and accounts squared up during the year are subject to confirmation from respective parties.
28. Company has been awarded in NELP Round Block located at Vindhayan, Madhya Pradesh. Last year, Company capitalized 90% of expenses incurred by it since company was not engaged in any other activities. This year Company capitalized 90% of expenses incurred by it during the first three quarters but in last quarter Company generated a good profit from the Consulting Services and company not capitalized any expenses in Block. It transferred expenses which was previously capitalized from Block to profit and loss account after generating income from Consulting Services.

**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:**

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



ii) Transaction during the year with Related Parties:

(Amount in ₹)

S. No.	Name of Related Party	Nature of Transaction	Transaction Amount	Closing Balance
1	KGN Greens Limited	Loan taken	6,00,000	6,00,000
2	KGN Proteins Limited	Loan taken	6,55,000	6,55,000
3	KGN Bio-Tech Limited	Loan given	23,16,452	4,80,58,751
		Sales Transaction	2,04,76,393	
4	KGN Oil & Gas Private Limited	Repayment of Loan given	18,53,940	1,25,11,060
5	KGN Industries Limited	Repayment of Loan taken	3,40,51,311	15,58,39,809
6	Ismail Memon	Director Remuneration	3,00,000	NIL
7	Babulal J Hirani	Director Remuneration	1,20,000	NIL
8	Mohsin Memon	Director Remuneration	3,00,000	NIL

30.

Payment to the Auditor		2013-2014 (Amount in ₹)	2012-2013 (Amount in ₹)
a.	For Statutory Audit	73,034	73,034
b.	For Tax Audit	30,000	30,000
c.	For Consulting Fees	19,000	19,000
d.	Cost Audit Fees	40,500	16,500
e.	Vat Audit	10,000	NIL

**For Kirit & Co.**

*Chartered Accountant*

**Sd/-**

**Kirit Kumar**

*Proprietor*

M.No. 038047

FRN: 132282W

Date: 28<sup>th</sup> May, 2014

Place: Ahmedabad

**For and on behalf of the Board of Directors**

**Sd/-**

**Babulal J Hirani**

*Managing Director*

**Sd/-**

**Mohsin I Memon**

*Director*

## SHAREHOLDING PATTERN OF SUBSIDIARIES COMPANIES

### STATEMENTS PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 2013 RELATING TO SUBSIDIARY COMPANIES

(Amount in ₹)

1	Name of The Subsidiary Companies	KGN Bio-Tech Limited	KGN Green Limited	KGN Protein Limited	KGN Oil & Gas Pvt. Limited
2	Financial year of subsidiary company	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014
3	Number of Shares held in subsidiary company on the above date	50,000	50,000	50,000	10,000
4	Extent of Share Holding Interest (in %)	100.00%	100.00%	100.00%	100.00%
The net aggregate of profit and losses of the subsidiary company as far as its concerns the members of the holding company.					
<b>Not dealt with in the holding company's accounts:</b>					
a.	for the financial year of the subsidiary	N.A.	N.A.	N.A.	N.A.
b.	for the previous financial years since it became holding company's subsidiary	N.A.	N.A.	N.A.	N.A.
<b>Not dealt with in the holding company's accounts:</b>					
a.	for the financial year of the subsidiary	27,395	3,604	2,964	2,912
b.	for the previous financial years since it became holding company's subsidiary	41,150	2,731	2,690	1,891
c.	material changes between the end of the financial years of the subsidiary and holding company.				

For and on behalf of the Board of Directors

Sd/-  
Babulal J Hirani  
Managing Director

**DETAILS OF SUBSIDIARY COMPANY 2013-2014**

(Amount in ₹)

Name of The Subsidiary Companies	KGN Bio-Tech Limited	KGN Green Limited	KGN Protein Limited	KGN Oil & Gas Pvt. Limited
Financial years ends on	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014
Share Capital	5,00,000	5,00,000	5,00,000	1,00,000
Reserves	78,895	89,622	99,957	95,029
Borrowings	4,11,28,751	-	-	1,25,11,060
Other Liabilities	1,65,19,779	1,74,778	3,00,254	1,07,76,313
<b>Total Liabilities</b>	<b>5,82,27,425</b>	<b>7,64,400</b>	<b>9,00,211</b>	<b>2,34,82,402</b>
Cash & Cash Equivalents	1,41,684	80,963	86,853	20,631
Loans & Advances	28,20,530	6,70,000	7,25,000	26,30,747
Other Assets	5,52,65,211	13,437	88,358	2,08,31,024
<b>Total Assets</b>	<b>5,82,27,425</b>	<b>7,64,400</b>	<b>9,00,211</b>	<b>2,34,82,402</b>
Turnover	2,87,36,043	24,500	22,850	16,50,000
<b>Total Income</b>	<b>2,91,89,060</b>	<b>24,500</b>	<b>22,850</b>	<b>16,50,000</b>
Depreciation And Amortization Expense	11,637	6,718	6,018	9,56,017
Other Expense	2,91,33,529	12,618	12,618	6,89,751
<b>Total Expenses</b>	<b>2,91,45,166</b>	<b>19,336</b>	<b>18,636</b>	<b>16,45,768</b>
Profit before Taxation	43,894	5,164	4,214	4,232
Provision for Taxation	16,500	1,560	1,250	1,320
<b>Profit After Taxation</b>	<b>27,394</b>	<b>3,604</b>	<b>2,964</b>	<b>2,912</b>
Basic (E.P.S.)	0.55	0.07	0.06	0.29
Diluted (E.P.S.)	0.55	0.07	0.06	0.29

For and on Behalf of the Board of Directors

Sd/-  
Babulal J Hirani  
Director

**KGN ENTERPRISES LITMITED**

Registered Office: B-15, Hirnen Shopping Centre, Hirnen Shopping Centre Co-Op Housing Society,  
S.V. Road, Goregaon (W), Mumbai-400062.

**ATTENDANCE SLIP**

Member(s)/Proxy (ies) are requested to bring the Attendance Slip duly filled-in and signed at the Meeting and hand it over at the entrance of the Meeting hall.

**Folio NO.:** \_\_\_\_\_

**DP/Client ID No.:** \_\_\_\_\_ **No of Shares Held.:** \_\_\_\_\_

I/We \_\_\_\_\_ hereby record my / our presence at the 20<sup>th</sup> Annual General Meeting of the Company held on Saturday, 26<sup>th</sup> day of September, 2014 at 2 p.m. at, Bombay YMCA, Central Branch, 12, Nathalal Parekh Marg, Colaba, Mumbai-400 001.

\_\_\_\_\_  
Signature of the Member / Proxy  
(To be signed at the time of handing over this slip)

**KGN ENTERPRISES LITMITED**

Registered Office: B-15, Hirnen Shopping Centre, Hirnen Shopping Centre Co-Op Housing Society,  
S.V. Road, Goregaon (W), Mumbai-400062.

**PROXY FORM**

Member(s)/Proxy (ies) are requested to bring the Attendance Slip duly filled-in and signed at the Meeting and hand it over at the entrance of the Meeting hall.

**Folio No.:** \_\_\_\_\_

**DP/Client ID No.:** \_\_\_\_\_ **No of Shares Held.:** \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ being member(s) of KGN Enterprises Limited, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her, \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend and vote for me/ us on my/ our behalf at the 20<sup>th</sup> Annual General Meeting of the Company held on **Saturday, 26<sup>th</sup>** day of September, 2014 at 2 p.m. at, Bombay YMCA, Central Branch, 12, Nathalal Parekh Marg, Colaba, Mumbai-400 001. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Signature \_\_\_\_\_

Affix  
Revenue  
Stamp

**Notes:**

1. The proxy to be effective should be duly stamped, signed and deposited at the Registered Office of the Company at the address mentioned above at least 48 hours before the commencement of the aforesaid Meeting.
2. The Proxy need not be a member of the Company.

BOOK POST



# **KGN ENTERPRISES LTD.**

## **REGISTERED OFFICE**

B-15 Hirnen Shopping Centre,  
Hirnen Shopping Centre Co. Op. Soc. Ltd.,  
S.V. Road, Goregaon West,  
Mumbai – 400 062,  
[www.kgnenterprises.com](http://www.kgnenterprises.com),  
CIN: L45201MH1994PLC204203

## **FACTORY**

Block No. 315, 316 / 318,  
Kheda - Dholka Highway,  
Village Hariyala, Dist. Kheda,  
Pin - 387 411 Gujrat (INDIA).  
Phone No.: +91 - 694 - 291042 / 4322 4461  
Fax: +91 - 2694 - 224460

## **E-Mail**

**General** : [info@kgnenterprises.com](mailto:info@kgnenterprises.com)  
**Visit Us At** : [www.kgnenterprises.com](http://www.kgnenterprises.com)