



KGN Industries Limited

Regd. Office: 23, Vaswani Mansion, 4th Floor.
Dinshaw, Vaccha Road, Opp. K. C. College.
Church Gate, Mumbai - 400 020.
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E-mail: info@kgnindustries.com ♦ www.kgnindustries.com
CIN: L23101MH1994PLC206282

FORM A

FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGE

1	Name of the Company	KGN Industries Limited
2	Annual financial statements for the year ended	31 st March, 2015
3	Type of Audit observation	Un-Qualified
4	Frequency of observation	N.A.

For KGN Industries Limited

Arifbhai Ismailbhai Memon
(Managing Director)

Jignesh Babulal Hirani
(CFO)

Ajazahmed Abulgani Ansari
(Chairman of audit Committee)

For, M/s. Kirit & Company
Chartered Accountants
Firm Reg. No. 132282 W

Proprietor

(Auditor of the company)



21ST ANNUAL REPPORT - 2015



KGN INDUSTRIES LIMITED

CIN : L23101MH1994PLC206282

KGN INDUSTRIES LIMITED

BOARD OF DIRECTORS :

Mr. Babulal Jethalal Hirani (DIN: 02362983)	Chairman	
Mr. Jignesh Babulal Hirani (DIN: 03110860)	Director	
Mr. Arifbhai Ismailbhai Memon (DIN: 00209693)	Managing Director	
Mr. Ajazahmad Ansari (DIN: 06961260)	Director	
Mr. Aftabahmed Kadri (DIN: 01738367)	Director	w.e.f. 14.02.2015
Ms. Janki Ranjitsingh Vaghela (DIN: 03050746)	Director	w.e.f. 31.03.2015

CHIEF FINANCIAL OFFICER :

Mr. Jignesh Babulal Hirani w.e.f 14.02.2015

INTERNAL AUDITOR :

M/s. A. Y . Pathan & Associates,
Chartered Accountants,
Ahmedabad

REGISTERED OFFICE :

23, Vaswani Mansion, 4th Floor,
Dinshaw Vaccha Road, Opp. K.C. College,
Churchgate, Mumbai-400020.

CORPORATE OFFICE & CORRESPONDING OFFICE :

B-15, Hirnen Shopping Centre co.op.hsg, Society Ltd.,
Near CITY Centre,S.V.Raod, Goregaon (west), Mumbai-400062.
Tel no. 022-67256547
Info@kgnindustries.com

CORPORATE OFFICE :

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

REGISTRAR & SHARE TRANSFER AGENT :

Link Intime India Private Limited
Unit 303, 3rd Floor, Shoppers Plaza V,
Opp. Municipal Market, Behind Shoppers Plaza II,
Off. C.G. Road, Ahmedabad 380 009
Email: ahmedabad@linkintime.co.in

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NOTICE

NOTICE is hereby given that TWENTY FIRST ANNUAL GENERAL MEETING OF KGN INDUSTRIES LIMITED will be held at YWCA BOMBAY INTERNATIONAL CENTRE 18TH MADAME CAMA ROAD, FORT- MUMBAI- 400001 ON TUESDAY AT 29TH SEPTEMBER, 2015 AT 11.30 A.M. TO TRANSACT FOLLOWING BUSINESS:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance sheet as on 31st March, 2015 and Profit and Loss Account for the year ended on that date together with the Cash flow Statement along with the Directors Report and Auditors Report thereon.
2. To reappoint Mr. Babulal Jethalal Hirani (DIN: 02362983), Director of the Company who retires by rotation and being eligible offers himself for reappointment.
3. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (corresponding to Section 224, and other applicable provisions, if any of the Companies Act, 1956) M/s. Kirit & Company (Firm Registration No. 132282 W) Chartered Accountants, be and is hereby re-appointed as the Statutory Auditors of the Company to hold office for a period of 2 years from the conclusion of this Annual General Meeting to, till the conclusion of the 23rd Annual General Meeting of the Company subjects to ratification by the Shareholders annually, at a remuneration to be decided by the Board of Directors in consultation with the Auditors.”

SPECIAL BUSINESS :

4. **To consider and if thought fit, to pass with or without modifications if any, the following resolution as an Ordinary Resolution.**

“RESOLVED THAT pursuant to provisions of section 149, 152 read with schedule IV & all other applicable provisions the Companies Act 2013 & the Companies (Appointment & Qualification of Directors) Rules 2014 (including any statutory modifications or re-enactment thereof for time being in force.) Mr. Aftab Ahmed Kadri (DIN : 01738367) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 14th February, 2015 under Section 161 of the Companies Act, 2013 and who holds office up to the date of the forth coming Annual General Meeting, being eligible for reappointment as an Independent Director of the Company to hold office for five consecutive years for a term up to the annual general meeting of the Company for the year 2020, whose period of office shall not be liable to determination by retirement of Directors by rotation.

5. **To consider and if thought fit, to pass with or without modifications if any, the following resolution as an Ordinary Resolution.**

“RESOLVED THAT pursuant to provisions of section 149, 152 read with schedule IV & all other applicable provisions the Companies Act 2013 & the Companies (Appointment & Qualification of Directors) Rules 2014 (including any statutory modifications or re-enactment thereof for time being in force.) Ms. Janki Ranjitsingh Vaghela (DIN: 03050746) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 31st March, 2015 respectively under Section 161 of the Companies Act, 2013 and who holds office up to the date of the forth coming Annual General Meeting, being eligible for reappointment as an Independent Director of the Company to hold office for five consecutive years for a term up to the annual general meeting of the Company for the year 2020, whose period of office shall not be liable to determination by retirement of Directors by rotation.

6. **To consider and pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

7. **To consider and pass, with or without modification(s), the following resolution as a Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197,203 read with Schedule V and other

applicable provisions of the Companies Act, 2013 and Rules framed there under, approval of the Company be and is hereby accorded to the appointment of Shri Arifbhai Ismailbhai Memon (DIN: 00209693) as the Managing Director of the Company for a period of 5 years with effect from 29th September, 2015 on the terms and conditions and remuneration as set out in the draft letter of appointment laid before the Meeting, with the liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites and other terms in such manner, as the Board in its absolute discretion deems fit and is acceptable to Shri Arifbhai Ismailbhai Memon, within the limits specified in Section 197 and Schedule V to the Companies Act, 2013 or any amendments, modifications, re-enactments thereof in force from time to time in this behalf."

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

**Date : Mumbai
Place : 14th August, 2015**

**ARIFBHAI ISMAILBHAI MEMON
MANAGING DIRECTOR
DIN: 00209693**

NOTES :

1. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies and that a proxy need not be a member of the company. Proxies in order to be effective must be deposited not less than 48 hours before the commencement of the meeting. A member cannot hold more than 50 proxies. Proxies submitted on behalf of the Companies, Societies, etc., must be supported by an appropriate resolution/authority as applicable.
2. The Register of Members and Share Transfer Books will remain close from 24th September, 2015 to 29th September, 2015 (both days inclusive).
3. Members are requested to intimate about the change in address, if any.
4. Members are requested to bring the copies of the annual report as the same will not be distributed at the annual general meeting.
5. Pursuant to Section 72 of the Companies Act, 2013, Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly.
6. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rules framed there under, Members have been provided with the facility to cast their vote electronically, through the e- voting services provided by the Link Intime India Private Limited, on all resolutions set forth in this Notice.

Notice of the 21st Annual General Meeting of the Company. Inter alia, indicating the process and manner of e-voting is being sent to all the members whose email Ids are registered with the Company/Depository Participant(s) for communication purpose through electronic mode unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the 21st Annual general Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent through the permitted mode.

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER :

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
- III. The remote e-voting period commences on Saturday, 26th September, 2015 (9:00 a.m.) and ends on Monday, 28th September, 2015 (5:00 p.m.). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22rd September, 2015 may cast their vote by

remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- IV. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "KGN Industries Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to umeshvedcs.office@airtelmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of Annual General Meeting [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the Annual General Meeting:
EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- V. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VI. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VIII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22rd September, 2015.
- IX. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22rd September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Link Intime India Private Limited.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- X. A member may participate in the Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.
- XI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XII. Mr. Umesh Ved, Company Secretary (Membership No. 4411), Proprietor of M/s. Umesh Ved & Associates, Company Secretaries, Ahmedabad has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIII. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company i.e www.kgnindustries.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Statement pursuant to Section 102(1) of the Companies Act, 2013 for Item No. 4 of the accompanying notice is as under:

ITEM NO. 4 & 5 :

Mr. Aftabahmed Kadri (DIN: 01738367) and Ms. Janki Ranjitsingh Vaghela (DIN: 03050746) were appointed as Additional Directors of the Company with effect from 14th February, 2015 and 31st March, 2015 respectively. In terms of the provisions of Section 161 of the Act, they hold office till the date of ensuing Annual General Meeting and are eligible for re-appointment.

In terms of Section 149 of the Act, an Independent Director can hold office for a term up to five consecutive years on the Board of a Company and are not liable to retire by rotation. Each of these Directors has given declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act as well as Clause 49 of the Listing Agreement.

The subject of appointment of Mr. Aftabahmed Kadri (DIN : 01738367) and Ms. Janki Ranjitsingh Vaghela (DIN: 03050746) as Independent Directors were placed before the Nomination & Remuneration Committee, which recommended their appointment for five years from the date of the Annual General Meeting.

In the opinion of the Board, each of these Directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of each of these Directors as Independent Directors are now being placed before the members in General Meeting for their approval. The terms and conditions of appointment of Independent Directors shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company.

The Directors recommend the resolutions set out in Item Nos. 4 to 6 of the accompanying notice, None of the Directors or key managerial personnel or their relatives other than Mr. Aftabahmed Kadri and Ms. Janki Ranjitsingh Vaghela, are in any way concerned or interested in the proposed resolution.

ITEM NO. 6 :

As you are aware that with the applicability of the provisions of the Companies Act, 2013 and the rules there under, it is desirable to alter the provisions of the Articles of Association of the Company so as to include the provisions of the new Act.

Adoption of new set of Articles of Association requires approval of the members through Special Resolution passed at General Meeting. Hence Board of Director of your Company has placed the above resolutions for your kind consideration and approval.

Altered set of Articles of Association of the Company as initialed by the Chairman of the Board for the purpose of identification is available for inspection at the registered office of the Company during business hours on any working day.

None of the Director is interested or concerned in the above resolution except to the extent of the share holding in the Company.

ITEM NO. 7:

At the ensuing Annual General Meeting, Mr. Arifbhai Ismailbhai Memon, appointed as the Managing Director of the Company for a period of 5 years with effect from 29th September, 2015.

The brief resume, experience, functional expertise and membership on various Board and committees of the Directors proposed to be appointed as mentioned in item No. 2, 4, 5 & 7 of the Notice as per Corporate Governance Code defined under Clause 49 of the Listing Agreement are furnished below:

Name of the Director	Mr.Arifbhai Ismailbhai Memon	Mr.Aftabahmed Kadri	Ms.Janki Ranjitsingh Vaghela	Mr. Babulal Jethalal Hirani
Father Name	Mr.Ismailbhai Memon	Mr.Isamiya Rahimmiya Kadri	Mr.Ranjitsingh Vaghela	Mr.Jethalal Jivabhai Hirani
Date of Birth	03/09/1967	05/01/1957	12/02/1983	23/11/1945
Date of Appointment	14/10/1994	14/02/2015	31/03/2015	10/10/2008
Qualification		L.L.B.	B.A.	B.A.

Name of the Director	Mr.Arifbhai Ismailbhai Memon	Mr.Aftabahmed Kadri	Ms.Janki Ranjitsingh Vaghela	Mr. Babulal Jethalal Hirani
Name of the Companie(s) in which he is a director	1) KGN HOLDINGS PVT. LTD. 2) KGN FOUNDATION 3) SUN COMMUNICATIONS LIMITED 4) KGN PROJECTS LTD. 5) KGN AIRWAYS PVT. LTD. 6) KGN HOTELS AND RESORTS PVT.LTD. 7) KGN SHIPPING PVT. LTD. 8) KGN TEXTILES PVT. LTD. 9) KGN MINING PVT. LTD. 10) KGN POWER PVT. LTD. 11)KGN ENERGY PVT. LTD. 12)KGN OIL & GAS PRIVATE LTD. 13)KGN FERTILIZERS PVT. LTD. 15)KGN METALS PVT. LTD. 16)KGN PORT PVT.LTD. 17)KGN CAPITAL LIMITED 18)KGN INSTITUTE OF MANAGEMENT	1) KGN ENTERPRISES LIMITED	1) KGN ENTERPRISES LIMITED	1) KGN ENTERPRISES LIMITED 2) KGN PROJECTS LIMITED 3) KGN BIO-TECH LIMITED 4) KGN GREEN LIMITED 5) KGN PROTEINS LIMITED 6) KGN PROPERTIES PVT LIMITED 7) KGN AIRWAYS PRIVATE LIMITED 8) KGN HOTELS AND RESORTS PRIVATE LIMITED 9) KGN SHIPPING PRIVATE LIMITED 10)KGN TEXTILES PRIVATE LIMITED 11)KGN MINING PRIVATE LIMITED 12)KGN POWER PRIVATE LIMITED 13)KGN ENERGY PRIVATE LIMITED 14) KGN OIL & GAS PVT. LTD. 15)KGN FERTILIZERS PVT. LTD 16) KGN METALS PVT. LTD. 17)KGN PORT PVT. LTD.
Specific functional Areas		Legal	HR Administration	Banking Sector
Shareholding in the Company as on 31st March, 2015	10,284	Nil	Nil	Nil

By Order of the Directors of the
KGN INDUSTRIES LIMITED

Date : Mumbai
Place : 14th August, 2015

ARIFBHAI ISMAILBHAI MEMON
MANAGING DIRECTOR
DIN: 00209693

ROUTE MAP FOR ANNUAL GENERAL MEETING VENUE



DIRECTORS REPORT

To,
The members,

Your Directors have the pleasure in presenting the 21st Annual Report together with the Audited Statement of Account for the year ending on 31st March, 2015.

Financial Results :*(Amt. in Rupees)*

Particulars	Financial Year ended			
	Standalone		Consolidated	
	2014-2015	2013-2014	2014-2015	2013-2014
Revenue from operations	6,555,345	54,286,365	6,555,345	54,314,865
Other Income	2,552,868	2,783	2,072,501	46,131
Total revenue	9,108,213	54,289,148	8,627,846	54,360,996
Expenditure				
Employee benefits expenses	1,342,564	3,972,791	1,342,564	3,972,791
Other expenses	4,924,447	5,891,756	6,587,591	49,819,753
Total expenses	7,903,246	53,724,015	7,930,155	53,792,544
Profit before tax	1,204,967	565,133	6,97,691	53,792,544
Tax expense :				
- Current Tax	249,704	300,000	251,772	301,100
- Deferred Tax	67,760	64,471	67,760	64,471
Excess provision of income tax	-	-	-513,967	-
Net profit for the year	887,503	200,662	892,126	202,881

APPROPRIATIONS :

The Opening Balance of Surplus of Profit and Loss shown under the head Reserves and Surplus was Rs. 45,475,715/- . During the year under the review, the profit of Rs. 887,503/- was also added. The Closing Balance of Surplus of the Profit and Loss shown under the head Reserves and Surplus was Rs. 46,139,681/-

OPERATIONS :

During the year under the review there was a decrease in total income of 83.22% in comparison to the previous year. The total expenses have decreased by 85.30 % and the net profit after tax has increased by 442.29%.

DIVIDEND :

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

DETAILS OF DIRECTORS / KEY MANAGERIAL PERSONNEL APPOINTED / RESIGNED :**i. Retirement by Rotation :**

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Mr. Babulal Jethalal Hirani (DIN: 02362983), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your directors recommend his re-appointment.

ii. Cessation :

There were 2 Cessation took place during the year.

A) Mr. Deepak Raval 23rd June, 2014

B) Mr. Mohmoad Yaqub Khan 28th May, 2014

iii. Appointment of Additional / Independent Women Director :

Mr. Aftabahmed Kadri (DIN : 01738367) was appointed as an Additional Director on the Board w.e.f. 14th February, 2015 and Ms. Janki Ranjitsingh Vaghela was appointed as an Additional Director (Independent Women Director) on the Board w.e.f. 31st March, 2015. Mr. Aftabahmed Kadri and Ms. Janki Ranjitsingh Vaghela Additional Directors will hold office until the date of ensuing 21st Annual General Meeting of the shareholders of the Company. The necessary resolution proposing their appointment as Independent Director has been proposed in the Notice convening the said Annual General meeting.

iv. Appointment of CFO :

During the Year under review in compliance with the provisions of Sections 197 and 203 and all other applicable provisions, if any, of the Companies Act, 2013 Mr. Jignesh Babulal Hirani was appointed as Chief Finance Officer w.e.f. 14th February, 2015.

v. Key Managerial Personnel :

The following persons were designated as Key Managerial Personnel:

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

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

Your Company has One wholly owned Subsidiary Companies i.e. KGN PROJECTS LIMITED.

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

DEPOSITS :

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

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

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

INTERNAL FINANCIAL CONTROLS :

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company. The Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

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

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

ENVIRONMENTAL PROTECTION :

Your Company is not engaged in any type of manufacturing activities. It is not generating any type of pollution. Hence, Pollution Control regulations and norms are not applicable to Company.

PERSONNEL :

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

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

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

VIGIL MECHANISM :

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

AUDIT COMMITTEE :

The Audit Committee of the Board of Directors of the Company was re-constituted and presently consists of three Directors viz. Mr. Ajazahmad Abulguni Ansari, Mr. Jignesh Babulal Hirani and Mr. Aftabahmed Kadri.

Mr. Ajazahmad Abulguni Ansari, is the Chairman of the Audit Committee.

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

The Composition and the Terms of Reference of the Audit Committee is as mentioned in the provisions of Section 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement with the Stock exchanges as amended from time to time. The Statutory Auditor, Internal Auditor and Chief Finance Officer usually attend the Meeting of the Audit Committee.

AUDITORS :

i. Statutory Auditor and their Report

In the last AGM held on 29th September, 2014, M/s. Kirit & Company, Chartered Accountants, (having Registration No. 132282W) Chartered Accountants, have been appointed Statutory Auditors of the Company for a period of 2 (Two) years. Ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM. They have confirmed their eligibility and willingness to accept office, if re-appointed.

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

ii. INTERNAL AUDITOR

M/s. A.Y. Pathan & Associates, Chartered Accountant, are Internal Auditors of the Company. The Audit Committee of the Board of Directors in consultation with the Internal Auditors, formulate the scope, functioning periodicity and methodology for conducting the internal audit.

iii. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

The Board of Directors of the Company has, in compliance with the provisions of Section 304(1) of the Companies Act, 2013 and rules made in this behalf, appointed M/S. Umesh Ved & Associates, Company Secretaries to carry out Secretarial Audit of the Company for the financial year 2014-15. The Report of the Secretarial Auditor is annexed to this Report as Annexure C which is self explanatory and give complete information.

EXPLANATION TO THE QUALIFICATIONS IN AUDITOR'S REPORT AND SECRETARIAL AUDIT REPORT :

There are no qualifications or adverse remarks in the Auditor's Report. Explanation on qualification adverse remark made in Secretarial Audit Report is as under.

Qualification/ Adverse Remark	Explanation :
The Company is yet to appoint the Company Secretary as specified under the provisions of Section 203 under the Companies Act, 2013.	The Company was not able to get a fit and proper candidate at remuneration commensurate with the size of the Company. The Company did make sufficient attempts to appoint full time Company Secretary, however, was unable to find / appoint any suitable candidate.
The requisite Form MR-1 are yet to be filed by the Company with the Registrar of Company as specified under the provisions of Section 203 under the Companies Act, 2013 in respect of the return of appointment of a Chief Financial Officer.	The company is in process of filing the requisite forms and the compliance of the same will be made soon.
The Form DIR-12 is yet to be filed by the Company with the Registrar of Company as specified under the provisions of Section 170 under the Companies Act, 2013 in respect of the return of appointment of a Chief Financial Officer, appointment of Two Directors and Change in designation of additional Directors.	However, Board assures that it will be complied with now onwards.
The Form MGT-14 are yet to be filed by the Company with the Registrar of Company as specified under the provisions of Section 179 under the Companies Act, 2013 in respect of appointment of Secretarial Auditor, Internal Auditor and Chief Financial Officer, approval of Quarterly Results of Financial Year 2014-15 and Annual Financial Statements and the Board's Report of Financial Year 2013-14. The Form ADT-1 is yet to be filed by the Company with the Registrar of Company as specified under the provisions of Section 139 under the Companies Act, 2013 in respect of Information to the Registrar for appointment of Auditor for Financial Year 2014-15.	

Company has not complied and/or made late submission of the documents as required under various clauses of listing agreement.	All qualifications are relating to late filing of some of the quarterly compliances with the stock Exchanges. However, Board assures that it will be complied with now onwards
The Company did not provide the e-voting facility in the Annual General Meeting held on 28th September, 2014 as specified under Clause 35B of the Listing Agreement.	Since, the E- voting introduced for the first time, the company could not do it on time and skip the compliance. However, Board assures to comply with the same soon as possible.
The dispatch proofs of notice of Annual General Meeting to the shareholders are not available with the Company as specified under the provisions of Section 101 under the Companies Act, 2013 and rules made thereof.	The Company assure to maintain the record, hence fortieth.

LISTING :

The shares of the company are listed at BSE Limited. Listing fees of BSE Limited is paid for the year 2015 – 2016.

DIRECTORS RESPONSIBITLY STATEMENT :

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

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

RELATED PARTY TRANSACTIONS :

During the year under review the Company has entered into the transactions with the related parties, the details of each are provided in point No. 27 under the head notes on Financial Statements.

PARTICULARS OF LOANS / GUARANTEES / INVESTMENT :

The Particulars of loans, guarantee or investment made under Section 186 of the Companies Act, 2013 are furnished in the Notes to the Financial Statements for the year ended 31st March 2015.

INVESTMENT IN UNQUOTED SHARES :

The Company has made investment in unquoted shares. i.e. 99994 Shares in KGN Projects Limited.

RISK MANAGEMENT POLICY :

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

STATEMENT OF INDEPENDENT DIRECTORS :

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

- (a) Mr. Ajazahmad Ansari
- (b) Mr. Aftabahmed Kadri
- (c) Mrs. Janki Ranjitsingh Vaghela

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

EXTRACT OF THE ANNUAL RETURN :

Pursuant to provision of Section 92 and 134 and other applicable provision of the Companies Act, 2013 and of Rule 12 (1) of Companies (Management and Administration) Rules, 2014 the extract of the annual return in form MGT 9 for the Financial Year ended on 31st March, 2015 is annexed as Annexure D to this Report.

NUMBER OF BOARD MEETINGS :

The calendar of meetings to be held in a year is decided in advance by the Board and circulated to the Directors. During the year, Four Board meetings were convened and held. The gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Act.

CORPORATE SOCIAL RESPONSIBILITY :

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

ANNUAL PERFORMANCE EVALUATION :

In compliance with the provisions of the Act and voluntarily under Clause 49 of the Listing Agreement, the performance evaluation was carried out as under:

Board :

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

Committees of the Board :

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

Individual Directors :

- (a) Independent Directors: In accordance with the criteria suggested by The Nomination and Remuneration Committee, the performance of each independent director was evaluated by the entire Board of Directors (excluding the director being evaluated) on various parameters like engagement, leadership, analysis, decision making, communication, governance and interest of stakeholders. The Board was of the unanimous view that each independent director was a reputed professional and brought his/her rich experience to the deliberations of the Board. The Board also appreciated the contribution made by all the independent directors in guiding the management in achieving higher growth and concluded that continuance of each independent director on the Board will be in the interest of the Company.
- (b) Non-Independent Directors: The performance of each of the non-independent directors (including the chair person) was evaluated by the Independent Directors at their separate meeting. Further, their performance was also evaluated by the Board of Directors. The various criteria considered for the purpose of evaluation included leadership, engagement, transparency, analysis, decision making, functional knowledge, governance and interest of stakeholders. The Independent Directors and the Board were of the unanimous view that each of the non-independent directors was providing good business and people leadership.

SEXUAL HARASSMENT :

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

APPRECIATION :

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

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

Date : Mumbai
Place : 14th August, 2015

ARIFBHAI ISMAILBHAI MEMON
MANAGING DIRECTOR
DIN: 00209693

BABULAL JETHALAL HIRANI
CHAIRMAN
DIN: 02362983

**Annexure-A
FORM AOC- 1**

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

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

Part "A" : Subsidiaries

(in Rs.)

No.	Particulars	KGN Projects Limited
1.	Reporting period	April - March
2.	Reporting Currency	INR
3.	Share Capital	1,000,000
4.	Reserves & Surplus	817,501
5.	Total Assets	6,023,367
6.	Total Liabilities	4,205,866
7.	Investments	-
8.	Turnover (Total Revenue)	33,600
9.	Profit/ (Loss) Before Taxation	6,692
10.	Provision For Taxation	2,068
11.	Profit/ (Loss) After Taxation	4,624
12.	Proposed Dividend	-
13.	% of Share holding	99.99%

Notes : There were no subsidiaries liquidated during the financial year 2014-15.

“ANNEXURE- B”

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

- (i) the ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year 2014-15:

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

- (ii) the percentage increase in remuneration of each director CFO, CEO, Company Secretary or Manager, if any, in the financial year 2014-15:

Mr. Jignesh Babulal Hirani CFO Nil

Mr. Arifbhai Ismailbhai Memon Managing Director Nil

Appointed during the financial year 2014-15 and hence there is no comparison.

- (iii) **Market Capitalisation :**

Date	Issued Shares	Closing Market Price per share(Rs)	EPS (Rs.)	PE Ratio	Market Capitalisation (Rs. In Cr.)
31.03.2014	22,25,00,000	10.06	0.001	10060	223.84
31.03.2015	22,25,00,000	9.60	0.004	2400	213.60
Increase/(Decrease)	Nil	(0.46)	0.003	(7660)	10.24
Increase/(Decrease)%	Nil	(4.57)%	300%	(76.13)%	4.57%

The company came out with the IPO at a price of Rs. 10/- per share. The market price of the share as on 31st March, 2015 was Rs. 9.60/- on BSE Limited.

Registered Office:
B-15, Hirnen Shopping Centre co.op.hsg,
Society Ltd., Near CITY Centre,S.V.Road,
Goregaon(west,) Mumbai-400062.
Tel No. 022-67256547

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

Dated : 14th August, 2015

**ARIFBHAI MEMON
MANAGING DIRECTOR
DIN: 00209693**

**BABULAL HIRANI
CHAIRMAN
DIN: 02362983**

“ANNEXURE- C”
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
KGN INDUSTRIES LIMITED

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the Audit Period)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the Audit Period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period)
- (vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head / groups of Acts, Laws and Regulations as applicable to the Company is as under:
 - 1. Income-Tax Act, 1961 and Indirect Tax Laws;
 - 2. Labour Laws & other incidental laws related to labour and employees appointed by the Company;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(Not Applicable to the Company during the Audit Period)
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

The Company is yet to appoint the Company Secretary as specified under the provisions of Section 203 under the Companies Act, 2013.

The Form MR-1 is yet to be filed by the Company with the Registrar of Company as specified under the provisions of Section 203 under the Companies Act, 2013 in respect of the return of appointment of a Chief Financial Officer.

The requisite Form DIR-12 are yet to be filed by the Company with the Registrar of Company as specified under the provisions of Section 170 under the Companies Act, 2013 in respect of the particulars of appointment of a Chief Financial Officer, appointment of Two Directors and Change in designation of additional Directors.

The requisite Form MGT-14 are yet to be filed by the Company with the Registrar of Company as specified under the provisions of Section 179 under the Companies Act, 2013 in respect of Disclosure of Interest, appointment of Secretarial Auditor, Internal Auditor, Chief Financial Officer, approval of Quarterly Results of Financial Year 2014-15 and Annual Financial Statements and the Board's Report of Financial Year 2013-14.

The Form ADT-1 is yet to be filed by the Company with the Registrar of Company as specified under the provisions of Section 139 under the Companies Act, 2013 in respect of Information to the Registrar for appointment of Auditor for Financial Year 2014-15.

Company has not complied and/or made late submission of the documents as required under various clauses of listing agreement.

The Company did not provide the e-voting facility in the Annual General Meeting held on 28th September, 2014 as specified under Clause 35B of the Listing Agreement.

The dispatch proofs of notice of Annual General Meeting to the shareholders are not available with the Company as specified under the provisions of Section 101 under the Companies Act, 2013 and rules made thereof.

The re-appointment of Managing Director of the Company, i.e. Mr. Arifbhai Memon, who was re-appointed w.e.f. 30th July, 2011 for 3 (Three) consecutive years, was made not as specified under the provision of Section 196 under the Companies Act, 2013.

The Company has taken and given loans to the companies in which the directors are interested.

The Company has entered into transaction with related party, the compliance of section 188 of which we could not ascertain.

We further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out subject to our observations made herein above.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**Place : Ahmedabad
Date : 14th August, 2015**

**Umesh Ved
For, Umesh Ved & Associates
Company Secretaries
FCS No.: 4411
C.P. No.: 2924**

To.
The Members,
KGN Industries Limited.

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

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

Place : Ahmedabad
Date : 14th August, 2015

Umesh Ved
For, Umesh Ved & Associates
Company Secretaries
FCS No.: 4411
C.P. No.: 2924

ANNEXURE-D

Form No. MGT-9

EXTRACT OF ANNUAL RETURNS ON THE FINANCIAL YEAR ENDED ON 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i.	CIN	L23101MH1994PLC206282
ii.	Registration Date	14/10/1994
iii.	Name of the Company	KGN INDUSTRIES LIMITED
iv.	Category/Sub-Category of the Company	Public Company Limited by Shares
v.	Address of the Registered office and contact details	B-15, Hirnen Shopping Centre Co.op.hsg, society Ltd, Near CITY Centre, S.V.Raod, Goregaon (West), Mumbai-400062. Tel no.022-67256547 info@kgnindustries.com www.kgnindustries.com
vi.	Whether listed company	Yes/No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime (India) Private Limited 303, Shoppers Plaza-V, The Govt. Servants Co-op Housing Society Limited, Opp. Municipal Market, C. G. Road, Navrangpura, Ahmedabad-380 009. Telephone No: 079-26465179.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Service activities incidental to oil and gas extraction excluding surveying	1120	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S. N.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	KGN Projects Limited	U45202MH2010PLC201328	Subsidiary	99.99%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :

i. Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	35284	10000	45284	0.02	35284	10000	53284	0.02	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	119908452	0	119908452	53.89	119908452	0	119908452	53.89	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):-	119943736	10000	119953736	53.91	119943736	10000	119961736	53.91	0

i. Category-wise Share Holding : (Contd.....)

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Foreign									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A)= (A)(1)+(A)(2)	119943736	0	119953736	53.91	119943736	0	119961736	53.91	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	12525925	0	12525925	5.63	12364328	0	12364328	5.56	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)	12525925	0	12525925	5.63	12364328	0	12364328	5.56	0
2. Non Institutions									
a) Bodies Corp.									
(i) Indian									
(ii) Overseas	5806330	28774000	34580330	15.54	7470415	28774000	36244415	16.28	0.74
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
	24585059		24585059	11.05	20730902	3120120	23843022	10.72	-0.33
	28461201		28461201	12.79	18320544	6435000	24755544	11.12	-1.67
c) Others(Specify)	2393749	0	2393749	1.07	5330955	0	5330955	2.4	-1.33
Sub-total(B)(2)	51541219	38479120	90020339	40.46	51852816	38329120	90173936	40.53	-0.07
Total Public Shareholding B)=(B)(1)+ (B)(2)	64067144	38479120	102546264	46.09	64217144	38329120	102538264	46.09	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	184010880	38489120	222500000	100.00	184160880	38339120	222500000	100.00	0

ii. Shareholding of Promoters :

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Salim Ismail Memon	10000	0.0045	0	10000	0.0045	0	0
2.	Ismail Gulmohammed Memon	10000	0.0045	0	10000	0.0045	0	0
3.	Arifbhai Ismailbhai Memon	10284	0.0046	0	10284	0.0046	0	0
4.	KGN Holdings Pvt. Ltd	119908452	53.89	0	119908452	53.89	0	0
5.	Farzanben Ismailbhai Memon	7500	0.0034	0	7500	0.0034	0	0
6.	Khatunben Ismailbhai Memon	7500	0.0034	0	7500	0.0034	0	0
7.	Nazneen Mohsinbhai Memon	-	-	-	8000	0.0035	0	0.0035%
	TOTAL	119953736	53.91	0	119961736	53.92	0	0.0035%

iii. Change in Promoters' Shareholding (please specify, if there is no change) : NO CHANGE

S. N.	Name of the Promoter/ Promoter Group	Shareholding at the beginning of the year (01-04-2014)		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-2015)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company

(iv) Shareholding pattern of top ten shareholders :

S. N.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year*		Shareholding at the end of the year (31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Elara India Opportunities Fund Ltd.	5676637	2.55	9300607	63.00	9300607	4.18
2.	The Royal Bank Of Scotland Asia Merchant Bank (Singapore) Ltd.	4530567	2.04	0	-100.00	0	0
3.	Avatar India Opportunities Fund	2318721	1.04	2243721	-3.23	2243721	1.01
4.	Satish Kumar Soin	2150000	0.97	0	-100.00	0	0
5.	Paridhi Overseas Pvt. Ltd.	3085561	1.39	3556899	-13.25	3556899	0.66
6.	Jayprakash Mafatlal Vyas	2000000	0.90	1999835	-0.0082	1999835	0.89
7.	Arcadia Share & Stock Brokers Pvt. Ltd.	1952157	0.88	4984667	155.34	4984667	2.24
8.	Hiral Dinesh Vora	1800000	0.81	0	-100.00	0	0
9.	Dinesh Jadavji Vora	1800000	0.81	0	-100.00	0	0
10.	Anilkumar Mansinghka	2900000	1.29	0	0	2900000	1.29
11.	Sunflower Broking Pvt. Ltd.	20	0.00	1484590	-	1484590	0.67
12.	Dinesh Jain	1460498	0.65	1345498	-7.87	1345498	0.60
13.	Bipin M Vyas	1000000	0.45	0	0	1000000	0.45

The shares of the company are traded frequently in dematerialized form and hence the date wise increase/ decrease in shareholding is not indicated.

(v) Shareholding of Directors and Key Managerial personnel :

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares of the company	% of total shares	No. of shares of the company	% of total shares
1.	Arifbhai Ismailbhai Memon	10284	0.0046	10284	0.0046

V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	21,548,025	0	21,548,025
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not	0	0	0	0
Total (i+ii+iii)	0	21,548,025	0	21,548,025
Change in Indebtedness during the financial year				
- Addition				
- Reduction		615,734		615,734
Net Change	0	615,734	0	615,734
Indebtedness at the end of the financial year				
i) Principal Amount	0	20,932,291	0	20,932,291
ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)	0	20,932,291	0	20,932,291

VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL :**A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

Sr. No.	Particulars of Remuneration	Name of Managing Director/ Whole-Time Director/Manager			Total Amount
1.	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	NIL			NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL			NIL
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	NIL			NIL
	Stock Option	NIL			NIL
	Sweat Equity	NIL			NIL
	Commission - as % of profit - others, specify...	NIL			NIL
	Others, please specify				
	Total(A)				NIL
	Ceiling as per the Act				NIL

B. Remuneration to other directors :

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		—	—	—	—	
	Independent Directors	NIL				0
	• Fee for attending board committee meetings					
	• Commission					
	• Others, please specify					
	Total(1)					0
	Other Non-Executive Directors	NIL				0
	• Fee for attending board committee meetings					
	• Commission					
	• Others, please specify					
	Total(2)					0
	Total(B)=(1+2)					0
	Total Managerial Remuneration					0
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission				
	- as % of profit				
	- others, specify...	0	0	0	0
5.	Others, please specify	0	0	0	0
6.	Total	0	0	0	0

VII. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
	Penalty				
	Punishment				
	Compounding				
B. Directors					
	Penalty				
	Punishment				
	Compounding				
C. Other Officers In Default					
	Penalty				
	Punishment				
	Compounding				

MANAGEMENT DISCUSSION ANALYSIS

GLOBAL OVERVIEW :

For the maintenance of industrial civilization in its current configuration Petroleum is vital to many industries thus is a critical concern for many nations. The petroleum industry encompasses the global processes of exploration, extraction, refining, transporting and marketing petroleum products. The largest volume products of the industry are fuel oil and gasoline (petrol). The industry is usually divided into three major components: upstream, midstream and downstream. The world today is consuming around 90 mn bpd of oil, and in the general context that we are running out of conventional sources of oil in about four year's time, we will need to find around an extra 20mn bpd – and that is on the assumption that there is no level of GDP growth globally. However, if we see any economic growth we will see an increase in global oil demand.

Oil includes crude oil, condensates, natural gas liquids, refinery feed stocks and additives, other hydrocarbons (including emulsified oils, synthetic crude oil) and petroleum products (refinery gas, ethane, LPG, aviation gasoline, motor gasoline, jet fuels, kerosene, gas/diesel oil, heavy fuel oil, naphtha, white spirit, lubricants, bitumen, paraffin waxes and petroleum coke). Oil accounts for a large percentage of the world's energy consumption, ranging from as low of 32% for Europe and Asia, up to a high of 53% for the Middle East. Other geographic regions' consumption patterns are as : South and Central America (44%), Africa (41%), and North America (40%).

The world consumes 30 billion barrels (4.8 km³) of oil per year, with developed nations being the largest consumers. The United States consumed 25% of the oil produced. The production, distribution, refining, and retailing of petroleum taken as a whole represents the world's largest industry in terms of monetary value.

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

As an emerging Economy let us analyze in the Indian context and have the review of market in the current years and years ahead India is the world's fourth largest consumer of primary energy and accounts for about 4.6% of the world's energy consumption after China, US and Russia. India is tremendously growing energy demand has made the country an energy leader on the global platform with more than 28 billion tones of prognosticated (forecast) reserves. The Government of India's New Exploration Licensing Policy (NELP) launched in 1997-98 has garnered investments over US\$ 14 billion and has resulted in 87 Oil and Gas discoveries. NELP has encompassed all the ingredients of a favorable investment climate, fiscal stability, transparency of the rule of law, contract stability, minimal policy induced uncertainties and a stable legal and regulatory framework.

The refining sector in India has also undergone a silent transformation wherein the country emerged as a major export hub. With a refining capacity of 215 million metric tones per annum (MMTPA), exports of petroleum products have now crossed 60 million tones (MT), rakinggather(-in revenues of about US\$ 60 billion. 'Petroleum products' have emerged as the single largest component of merchandise exports from India.

Production and Consumption – Key Statistics The hydrocarbons sector is continuously undergoing changes and policy modifications are in-tune with them. Natural gas is rapidly contributing to the energy requirements owing to commercial development of coal bed methane, shale gas, underground coal gas and gas hydrates. President Pranab Mukherji anticipates that natural gas usage will increase significantly in the years to come while urging the need to connect various parts of India with gas pipelines so that economic benefits of natural gas reach to all. The Government of India (GoI) is also lending full support to companies acquiring overseas Oil & Gas assets and imports of liquefied natural gas (LNG).

Diesel & Petrol :

Petroleum products are India's biggest export earner, fetching revenue of about US\$ 59 billion annually. Export of these products stood at 28.9 MT during April-September 2012, according to the petroleum ministry's data wing, the Petroleum Products Planning and Analysis Cell (PPAC). During 2011-12, the consumption of petroleum products was about 148 million metric tones (MMT) showing an import dependence of more than 75%. Diesel consumption, which makes up for more than 40% of the fuel sales, registered a growth rate of 7.2% at average 87,000 barrels per day (b/d) in September and October 2012 wherein automobile sector contributed majorly

Gas :

India's shale gas reserves are at about 290 trillion cubic feet (TCF), of which 63 TCF could be recovered, according to a study by US Energy International Agency. Shale gas is natural gas formed from being trapped within shale

formations. Natural gas sector constitutes about 9.8% of primary energy consumption which is projected to grow up to 20% by 2025 as per Indian Hydrocarbon vision. About 65% of natural gas consumption is accounted by power and fertilizer sectors. Petroleum and Natural Gas Regulatory Board chairman S. Krishnan stresses on the need to evolve a strategy to meet significantly higher share of energy needs from natural gas and take its contribution in the country's energy basket from 9.8% to 25% in the medium term. The production of natural gas in India was 135 million metric standard cubic meters per day (MMSCMD) during 2011-12.

Oil & Gas – Key Developments and Investments :

ONGC Videsh Ltd (OVL) has decided to invest around US\$ 5 billion to acquire ConocoPhillips' 8.4% stake in the Kashagan field off North Caspian Sea. The deal, marking OVL's biggest acquisition ever, is expected to be closed in the first half of 2013 and it would enable OVL venture into the largest oil-proven North Caspian Sea of Kazakhstan.

Indian energy firms have earned honor by getting placed in the 2012 Platts Top 250 Global Energy Company Rankings. Of the 12 Indian companies represented in the 250, six have managed to make it to the top 50 fastest growing companies wherein Cairn India took the top slot as the fastest-growing company not just in Asia but in the world. Indian companies were much ahead in both categories – the independent power producers (IPP) and gas utility – with NTPC Ltd and GAIL (India) topping their respective regional segments, Platts ranking indicated.

Public sector Bharat Petroleum Corporation Ltd (BPCL) plans to infuse a capital outlay of Rs 45,000 crore (US\$ 8.26 billion) over 2012-17 to enhance its refining capacity and upstream operations. The company seems to be very upbeat about its Mozambique discovery and intends to monetize the gas finds by proposing to set up two LNG plants of 5 million tones per annum (MTPA) capacity each. BPCL is also expanding its Kochi Refinery at a cost of over Rs 20,000 crore (US\$ 3.67 billion) wherein the capacity would boost from 9.5 MTPA to 15.5 MTPA and the company would diversify into the petrochemical sector to manufacture niche products. India's premier oil exploration and production company, ONGC, plans to invest Rs 11 lakh crore (US\$ 201.83 billion) between 2013 and 2030 and expects to produce 130 MT of oil and oil equivalent hydrocarbons in 2030. The company would use its assets abroad to meet half of its requirements to accomplish this goal while a substantial part of the investments would go into exploring 'domestic, yet-to-find' reserves. Reliance Industries Ltd and Venezuelan state oil company Petroleos de Venezuela, SA have inked a 15-year heavy crude oil supply deal along with a memorandum of understanding (MoU) according to which the two partners would further develop Venezuelan heavy oil fields. RIL is to explore upstream options for joint participation in heavy oil projects of the Orinoco Oil Belt, according to the MoU. RIL is estimated to invest around US\$ 8 billion to develop the oil fields and it is contemplating to invest about US\$ 20 billion from 2012-13 till 2015-16 on sectors including petrochemicals and refining. NYSE-listed Marsh & McLennan Companies' Indian subsidiary Marsh has launched its insurance broking and risk management services for India's energy sector. The company, which deals in insurance broking and risk management, is targeting the increasing risk and insurance needs of the Indian Oil & Gas sector.

Oil & Gas – Government Initiatives :

India has been very active in Oil & Gas exploration and production activities on the global front and the Government has played vital role in sustaining the country's strategic position. India and Canada have mutually agreed to share efforts in energy sector, particularly exports of Canadian oil and natural gas as well as renewable energy cooperation while Iraq is set to become India's strategic energy partner. On the similar lines, Indian companies have been invited by the Government of Turkmenistan to explore hydrocarbon at its Caspian Offshore region. Indian companies that expressed interest over the proposal include ONGC Videsh and GAIL (India). Kakageldy Abdullaev, Acting Minister of Oil and Gas Industry and Mineral Resources of Turkmenistan held discussions with India's Petroleum Minister S. Jaipal Reddy over the same. Further, India has also evinced interest to set up fertilizer and petrochemical units in Mozambique.

The Indian Government is planning to incentivize energy firms to explore and produce natural gas domestically by extending them similar fiscal incentives which are currently available to only crude oil producers, President Pranab Mukherjee said. Currently, tax incentives are given for crude oil production while similar fiscal concessions are denied to gas producers. Jaipal Reddy has also informed that before India launches its tenth bidding round of Oil & Gas exploration blocks by the end of 2012, the Government would implement a more investor friendly regime – both for investment and from point of view of pricing. The modulations would be based on the recommendations made by the Rangarajan committee, which is analyzing existing production sharing contracts and matters related to pricing of gas.

Oil & Gas – Road Ahead :

Majorly driven by transportation and industrial sectors, demand for oil is anticipated to raise immensely by 2020 while domestic power and fertilizer industries are projected to drive the demand for natural gas in the country. Given the recent exploration and development efforts undertaken in India, domestic production of Oil & Gas is expected to

increase substantially. Furthermore, development of technologies enabling efficient use of fossil fuels coupled with use of renewable energy sources could help in filling the demand-supply gap for Oil & Gas. The Government has already started taking initiatives to reduce the country's dependence on imports by encouraging exploration of alternate fuel sources such as coal bed methane (CBM), gas hydrates, hydrogen fuel cell, and blending of bio-fuels.

Supply will Increase :

The World oil trade will be transformed over the next five years. The hydrocarbon industry would result from a major shift in the regional distribution of oil demand and supply growth. Despite some supply shortfall in 2012, the growth in supply will rise by a strong 9.3mn barrels a day over the next five years. The North America's oil sands and light-tight crude will account for 40% of the increase while Iraq will account for 20% of global supply growth in that period. Most of the medium term growth is set to come from the America which has had its industry rejuvenated by new advanced extractive technologies applied to light, tight oil deposits in the US and the Canadian oil sands that had "exceeded earlier expectations." Amongst OPEC producers, Iraq stands out and Iraqi production has reached new heights. Its production capacity is expected to enter a new growth phase, which could continue even beyond the forecast period, while Libyan production recovery in 2012 defied expectations and Saudi Output surged to 30 year highs. The oil market has been hit by supply shortfalls in the Last few years which arose from the Libyan Civil war in 2011.

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

**Date : Mumbai
Place : 14.08.2015**

**ARIFBHAI ISMAILBHAI MEMON
MANAGING DIRECTOR
DIN: 00209693**

**BABULAL JETHALAL HIRANI
CHAIRMAN
DIN: 02362983**

REPORT ON CORPORATE GOVERNANCE

The Equity shares of the Company are listed on the BSE Limited.

In accordance with Clause 49 of the Listing Agreement on Corporate Governance (Clause 49) with the BSE Limited (BSE), the Report containing the details of corporate governance systems and processes at KGN INDUSTRIES 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 and Category of Directors :

The Company has Non-executive Chairman. As on 31st March, 2015 there were 6 Directors on its Board. The number of Non-Executive Directors is more than one-half of the total number of directors. The Company has 1 woman Director. Mr. Babulal Jethalal Hirani is the Chairman of the Company. None of the Directors on the Board is a Member of more than 10 Committees or a Chairman on more than 5 Committees, across all companies in which he is a Director, including KGN Industries Limited.

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

Total 4 Board Meetings were held during the Financial Year 2014-2015 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are given hereunder:-

Name	Category	No. of Board Meeting attended during 2014-15	Whether attended AGM held on 26th September, 2014	No. of Directorship in other Public Companies* as on 31-3-15	No. of Committee Positions held in Other public Companies* as on 31.03.15	
					Public	Chairmen
Mr. Babulal J. Hirani (Chairman)	Professional Non Executive	4	Yes	5	0	0
Mr. Arifbhai Memon	Executive Promoter Managing Director	4	Yes	4	0	0
Mr. Jignesh Hirani	Executive CFO	4	Yes	0	0	0
Mr. Aftab Ahmed Kadri	Independent Non Executive	0	No	0	1	2
Mr. Ajazahmad Ansari	Independent Non Executive	3	Yes	2	1	2
Mrs. Janki Ranjitsingh Vaghela	Independent Non Executive	0	No	1	0	2

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

Details of Director seeking re-appointment :

At the ensuing Annual General Meeting, Mr. Babulal Jethalal Hirani, retire by rotation and being eligible offer himself for re-appointment.

The brief resume, experience, functional expertise and membership on various Board and committees of the Directors proposed to be re-appointed as mentioned in item no.2, 4, 5 & 7 of the Notice as per Corporate Governance Code defined under Clause 49 of the Listing Agreement are furnished below :

Name	Mr. Babulal Jethalal Hirani	Mr. Arifbhai Ismailbhai Memon	Mr. Aftabahmed Kadri	Ms. Janki Ranjitsingh Vaghela
Date of Birth/Age	23/11/1945	Mr.Ismailbhai Memon	Mr.Isamiya R. Kadari	Mr.Ranjitsingh Vaghela
Date of Appointment	10/10/2008	03/09/1967	05/01/1957	12/02/1983
No. of Shares held in the Company	NIL 14/10/1994	14/02/2015	31/03/2015	
Qualification	B.A.		L.L.B	B.A
Specific Functional Area	Banking Sector		Legal	HR/Administration
List of Other Directorship	1) KGN ENTER-PRISES LIMITED 2) KGN PROJECTS LIMITED 3) KGN BIO-TECH LIMITED 4) KGN GREEN LIMITED 5) KGN PROTEINS LIMITED 6) KGN PROPERTIES PVT LIMITED 7) KGN AIRWAYS PRIVATE LIMITED 8) KGN HOTELS AND RESORTS PRIVATE LIMITED 9) KGN SHIPPING PRIVATE LIMITED 10) KGN TEXTILES PRIVATE LIMITED 11) KGN MINING PRIVATE LIMITED 12) KGN POWER PRIVATE LIMITED 13) KGN ENERGY PRIVATE LIMITED 14) KGN OIL & GAS PVT. LTD. 15) KGN FERTILIZERS PVT. LTD 16) KGN METAL PVT. LTD. 17) KGN PORT PVT. LTD.	1) KGN HOLDINGS PVT. LTD. 2) KGN FOUNDATION 3) SUN COMMUNICATIONS LIMITED 4) KGN PROJECTS LTD. 5) KGN AIRWAYS PVT. LTD. 6) KGN HOTELS AND RESORTS PVT.LTD 7) KGN SHIPPING PVT. LTD. 8) KGN TEXTILES PVT. LTD. 9) KGN MINING PVT. LTD. 10) KGN POWER PVT. LTD. 11) KGN ENERGY PVT. LTD. 12) KGN OIL & GAS PRIVATE LTD. 13) KGN FERTILIZERS PVT. LTD. 15) KGN METALS PVT. LTD. 16) KGN PORT PVT. LTD. 17) KGN CAPITAL LIMITED 18) KGN INSTITUTE OF MANAGEMENT	1) KGN ENTER-PRISES LIMITED	1) KGN ENTER-PRISES LIMITED
Membership/Chairman of Committee of the Other Company	Nil		2/1	2/Nil

3. AUDIT COMMITTEE :

The Board of Directors of the Company decided to reconstitute the Present Audit Committee in accordance with Section 177 of the Companies Act, 2013. Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

a. Composition of Committee :

As a measure of good corporate governance and to provide assistance to the Board of Directors in overseeing the Boards responsibilities your company had constituted an Audit Committee.

The Committee covers matters specified as per Clause 49 of the Listing Agreement.

At present consist of following members of the Committee :

NAMES	CATEGORY
Mr. Ajazahmad Abdulgani Ansari	Chairman
Mr. Jignesh Babulal Hirani	Member
Mr. Arifbhai Ismailbhai Memon	Member

b. Terms of reference :

Audit Committee assists the Board in fulfilling responsibilities of monitoring financial reporting processes; review the Company's established systems of procedures for internal financial controls, governance and reviewing the statutory and internal audits.

The Audit Committee discharges such functions and duties which are generally specified under clause 49 of the Listing Agreement and section 177 of the Act. Some of the important functions performed by the Audit Committee are as under:

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

Review of Information by Audit Committee :

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

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

c. MEETINGS AND ATTENDANCE DURING THE YEAR :

Four Meetings of Audit Committee were held during financial year 2014-2015 on 28th May, 2014, 11th August, 2014, 14th November, 2014, and 14th February, 2015 and all members were present at the meetings.

4. NOMINATION REMUNERATION AND COMPENSATION COMMITTEE :

The Board of Directors of the Company decided to constitute the "Nomination and Remuneration Committee" in accordance with section 178 of the Companies Act, 2013.

The Remuneration Committee has been constituted by the Board of Directors of the Company in accordance with the guidelines laid out by the statute and the listing agreement with the Stock Exchanges.

A. Composition of Committee :

At present consist of following members of the Committee :

NAMES	CATEGORY
Mr. Ajazahmad Ansari	Chairman
Mr. Aftabahmed Kadri	Member
Mr. Jignesh B. Hirani	Member

The Committee has no need to meet during the year under review.

B. Terms of reference :

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

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

C. Remuneration of Directors :

During the Financial Year 2014-15 no remuneration was paid to any Director

5. STAKEHOLDER RELATIONSHIP COMMITTEE :

The Board of Directors of the Company decided to rename and reconstitute the Present Shareholders' / Investors' Grievance Committee as Stakeholders Relationship Committee in accordance with Section 178 of the Companies Act, 2013.

A. Composition of Committee :

At present it consists of the following members:

NAMES	CATEGORY
Mr. Babulal Hirani	Chairman
Mr. Jignesh B. Hirani	Member

B. Terms of reference :

The Committee is empowered to perform all the functions of the Board in relation to approval and monitoring transfer, transmission, dematerialization, rematerialisation, issue of duplicate share certificates,

splitting and consolidation of shares issued by the Company. The Committee also oversees the functions of the Registrar and Share Transfer Agent.

C. NAME & DESIGNATION OF THE COMPLIANCE OFFICER :

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

The Stakeholder Relationship Committee meets periodically to approve all the cases of shares demoted, 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 Resolution Passed
2013-14	Bombay YMCA, Central Branch 12, Nathalal Parekh Marg, Colaba, Mumbai-400 001.	26th September, 2014	Friday	10.30 A.M.	AGM	0
2012-13	Bombay YMCA, Central Branch 12, Nathalal Parekh Marg, Colaba, Mumbai- 400 001.	28th September, 2013	Saturday	11.00 A.M.	AGM	0
2011-12	Y.M.C.A International House, Y.M.C.A Road, Near Maratha Mandir, Mumbai Central-400008.	29th September, 2012	Saturday	10.00 A.M.	AGM	1

b) Postal Ballot :

No Special Resolution was passed through postal ballot during the Financial Year 2014-15. In the ensuing Annual General Meeting, there is no business requiring Postal Ballot.

8. DISCLOSURES :

During the financial year 2014-15, 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 Financial Express (English) and in Mumbai Lakshadweep (Marathi) News Papers.

10. CEO/CFO CERTIFICATION :

The Chief Finance Officer (CFO) 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 21th ANNUAL GENERAL MEETING:
 DATE : 29th SEPTEMBER, 2015
 DAY : TUESDAY
 TIME : 11.30 A.M.
 VENUE : YWCA BOMBAY INTERNATIONAL CENTRE
 18TH MADAME CAMA ROAD, FORT- MUMBAI-400001.
- b) **FINANCIAL YEAR** : 1st April, 2014 to 31st March, 2015.
- c) **BOOK CLOSURE DATE** : 24th September, 2015 to 29th September, 2014 (Both days inclusive)
- d) **LISTING ON STOCK EXCHANGES** : The Company's Ordinary shares are listed on the following Stock Exchanges:
 BSE Limited
- e) **STOCK CODE** : BSE Limited : 531612
- f) **DEMAT INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN) FOR EQUITY SHARES** :
 INE196C01022

MONTHWISE STOCK MARKET PRICE DATA (BSE) RELATING TO EQUITY SHARES OF THE COMPANY FOR THE PERIOD 1ST APRIL, 2014 TO 31ST MARCH, 2015.

PERIOD FROM APRIL, 2014 TO MARCH,2015	PRICE PER SHARE		NO.OF SHARES TRADED
	HIGH (RS.)	LOW (RS.)	
April, 2014	11.73	9.48	523660
May, 2014	12.46	8.64	281691
June, 2014	11.66	9.13	4835253
July, 2014	12.85	7.71	688236
August, 2014	9.00	6.89	109422
September, 2014	9.00	5.80	277453
October, 2014	6.95	4.75	147850
November, 2014	8.28	6.26	112842
December, 2014	6.85	5.14	75738
January, 2015	12.50	5.50	2117835
February, 2015	16.88	12.61	2543777
March, 2015	14.35	8.72	1482170

(Source- 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.
 303, Shoppers Plaza-V,
 The Govt. Servants Co-op Housing Society Limited,
 Opp. Municipal Market, C. G. Road,
 Navrangpura, Ahmedabad - 380 009.
 Telephone No: 079-26465179.
 Email: 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 31st MARCH, 2015 :**

No.	Range of Holding	No. of Shareholders	No. of Shares	% to Capital
1.	Upto 500	1434	184824	0.0830
2.	501 to 1000	270	234358	0.1050
3.	1001 to 2000	160	257863	0.1160
4.	2001 to 3000	82	214909	0.0970
5.	3001 to 4000	46	171357	0.0770
6.	4001 to 5000	110	534518	0.2400
7.	5001 to 10000	251	2257505	0.0150
8.	Above 10000	704	218644666	98.2670
	Total	3057	222500000	100.00

k) **SHAREHOLDING PATTERN AS ON 31st MARCH, 2015 :**

NO.	CATEGORY	NO. OF SHARES	PERCENTAGE
1.	Indian Public	48598566	21.83
2.	NRIs / OCBs	15540	0.007
3.	Mutual Funds and UTI	0	0
4.	Banks, Financial Institutions and Insurance Companies (Central Institutions)	0	0
5.	Clearing Member	5315415	2.39
6.	Corporate Bodies	36244415	16.28
7.	Indian Promoters	119961736	53.92
8.	Foreign Institution/Wal Investors	12364328	5.56
	TOTAL	222500000	100.00

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

Percentage of Shares held in Physical form : 17.23%

Percentage of Shares held in Electronic form : 82.77%

m) **Outstanding ADRs/GDRs :** The Company has not issued any ADRs/GDRsn) **ADDRESS FOR CORRESPONDENCE :**

B-15, Hirnen Shopping Centre
Co.op.hsg, society Ltd, Near CITY Centre,
S.V.Raod, Goregaon (West), Mumbai-400062.
Tel no.022-67256547
info@kgnindustries.com
www.kgnindustries.com

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

Date : Mumbai
Place : 14.08.2015

ARIFBHAI ISMAILBHAI MEMON
MANAGING DIRECTOR
DIN: 00209693

BABULAL JETHALAL HIRANI
CHAIRMAN
DIN: 02362983

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange(s), it is hereby declared that all the Board Members and Senior Management Personnel of KGN INDUSTRIES LIMITED have affirmed the compliance with the Code of Conduct for the year ended March 31, 2015.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
KGN INDUSTRIES LIMITED**

**Place : Mumbai
Date : 14th August, 2015**

**Arifbhai Ismailbhai Memon
(Managing Director)**

CEO/CFO CERTIFICATION

To,
The Board of Director
KGN Industries Limited,
Mumbai.

We, Mr. Jignesh Hirani, Chief Finance Officer and Mr. Arif I Memon, Managing Director of KGN Industries Limited (the Company), hereby certify to the Board that:

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

**Date : 14th August, 2015
Place : Mumbai**

**Jignesh B Hirani
Chief Finance officer
DIN: 02362983**

**Arif I Memon
Managing Director
DIN: 00209693**

AUDITORS' CERTIFICATE

To,
The Members
KGN Industries Limited,
Mumbai.

We have read the Report of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by the KGN Industries Limited for the year ended 31st March, 2015, 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

Place : Mumbai
Date : 14th August, 2015

Kirit Kumar
M.No :03804
FRN : 132282

INDEPENDENT AUDITORS' REPORT

To,
The Members of,
KGN INDUSTRIES LIMITED,

Report on the Financial Statements :

We have audited the accompanying financial statements of KGN INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, 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 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 31st March, 2015.
- b) In the case of the Profit & Loss Account Statement Balance, of the profit for the year ended on 31st March, 2015.
- c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on 31st March, 2015.

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, 2015, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31,

2015 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 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**

**Kirit Kumar
Proprietor
M.No. 038047
FRN: 132282W**

**Place: Ahmedabad
Date: 30.05.2015**

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. There is no Inventories at the beginning as well as at the end of the year.
3. (a) The Company has granted unsecured loan to its Subsidiary Company and 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 subsidiary were as per details given below. The terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.

Sr. No.	Name of the Party	Relation with the Compant	Maximum Outstanding (in Rs.)	Closing Balance As on 31/03/2015 (in Rs.)
1.	KGN Projects Limited	Subsidiary Company	16,77,943/-	15,97,943/-
2.	KGN Enterprises Limited	Associates	15,88,39,809	14,42,77,868/-

- (b) The Company has not taken loans, secured or unsecured from the companies or other parties covered in the register maintained u/s 189 of the Companies Act, 2013.
4. In our opinion and according to the information and 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 notice 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 arrangement entered in the register maintained under section 301 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 price which are reasonable having regard to prevailing market price 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. As informed to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 2013 for the Company.
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 31st March, 2015 for a period of more than six months from the date of they became 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 funds raised on a short-term basis have been used for long term investment and vice-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 301 of the Companies Act, 2013 during the year.
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

Kirit Kumar
Proprietor
M.No. 038047
FRN: 132282W

Place: Ahmedabad
Date: 30.05.2015

BALANCE SHEET AS AT 31st MARCH , 2015

(Amount in Rs.)

Particulars	Note	As at 31 March, 2015	As at 31 March, 2014
I. EQUITY AND LIABILITIES :			
1. Shareholders' Funds :			
(a) Share Capital	1	222,500,000	222,500,000
(b) Reserves and Surplus	2	396,139,681	395,475,766
2. Non-Current Liabilities :			
(a) Deffered Tax Liabilities	3	882,520	814,756
(b) Long-Term Borrowings	4	3,500,000	3,500,000
3. Current Liabilities :			
(a) Short-Term Borrowings	5	17,432,291	18,048,025
(b) Other Current Liabilities	6	3,131,270	27,574,785
(c) Short-Term Provisions	7	4,481,061	12,624,958
TOTAL		648,066,823	680,538,240
II. ASSETS :			
Non-Current Assets :			
1 (a) Fixed Assets	8		
(i) Tangible Assets		1,492,261	5,087,300
(ii) Intangible Assets		6,624	177,600
(iii) Work In Progress		45,783,631	45,783,631
(b) Non-Current Investments	9	30,259,940	30,259,940
(c) Long-Term Loans and Advances	10	418,518,256	433,076,647
(d) Other Non-Current Assets	11	--	--
2 Current Assets :			
(a) Inventories		5,879,540	--
(a) Trade Receivables	12	26,365,212	28,150,612
(b) Cash And Cash Equivalents	13	3,305,577	3,532,755
(c) Short-Term Loans And Advances	14	86,149,693	90,647,576
(d) Other Current Assets	15	30,306,086	43,822,179
TOTAL		648,066,823	680,538,240

Significant Accounting Policies
Notes on Financial Statements

1 to 28

The Accompanying notes are an Integral Part of Financial Statements

As Per our Report of even date

For Kirit & Co.
Chartered Accountants

Kirit Kumar
Proprietor
M. No. 038047
FRN. : 132282 W

Date : 30.05.2015
Place : Ahmedabad

For and on behalf of the Board of Directors

Ajazahmad Ansari
Director
DIN: 06961260

Babulal J Hirani
Director
DIN: 02362983

Date : 30.05.2015
Place : Mumbai

Profit and Loss statement Balance for the year ended 31st March 2015

(Amount in Rs.)

Particulars	Note	2014-2015	2013-2014
INCOME :			
I. Revenue From Operations	16	6,555,345	54,286,365
II. Other Income	17	2,552,868	2,783
III. Total Revenue (I + II)		9,108,213	54,289,148
IV. EXPENDITURE :			
Purchase of Stock In Trade		6,535,000	43,035,533
Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade		-5,879,540	--
Employee Benefits Expense	18	1,342,564	3,936,554
Finance Costs	19	25,173	79,405
Depreciation and Amortization Expense	20	955,602	780,767
Other Expenses	21	4,924,447	5,891,756
Total Expenses		7,903,246	53,724,015
V Profit Before Tax (III- IV)		1,204,967	565,133
VI Tax Expense :			
(1) Current Tax		249,704	300,000
(2) Deferred Tax		67,760	64,471
VII Profit for the Year (V-VI)		887,503	200,662
VIII Earnings per Shares of Rs. 1/- each fully paid up (in Rs.)			
Basic		0.004	0.001
Diluted		0.004	0.001

Significant Accounting Policies
Notes On Financial Statements

1 to 28

The Accompanying notes are an Integral Part of Financial Statements

As Per our Report of even date

For Kirit & Co.
Chartered Accountants

Kirit Kumar
Proprietor
M. No. 038047
FRN. : 132282 W

Date : 30.05.2015
Place : Ahmedabad

For and on behalf of the Board of Directors

Ajazahmad Ansari
Director
DIN: 06961260

Babulal J Hirani
Director
DIN: 02362983

Date : 30.05.2015
Place : Mumbai

CASH FLOW STATEMENT FOR THE YEAR ENDED 2014.2015

(Amount in Rs.)

Particulars	2014-2015	2013-2014
A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax as per Profit and Loss Statement Balance	1,204,967	565,133
Adjustment For:		
Depreciation and Amortisation Expenses	955,602	528,145
Finance Cost	25,173	79,405
Interest on Fixed Deposits	653,748	--
Excess Provision	166,993	2,783
Operating Profit before Working Capital Changes	3,006,482	1,175,466
Adjustment For:		
(Increase)/Decrease in Trade Receivable	1,785,400	-1,685,400
(Increase)/Decrease in Inventories	-5,879,540	--
(Increase)/Decrease in Other Current Assets	13,516,093	-3,182,274
(Increase)/Decrease in Non Current Assets	--	325,960
Increase/(Decrease) in Other Current Liabilities	-24,443,515	-1,731,559
Increase/(Decrease) in Short Term Provision	-3,313,921	-2,808,033
Changes in Working Capital	-18,335,482	-9,081,306
Cash Generated From Operations	-15,329,000	-7,905,840
Taxes Paid	5,070,560	3,665,000
Net Cash Flow from Operating Activities	-20,399,560	-11,570,840
B) CASH FLOW FROM INVESTING ACTIVITIES :		
(Purchase)/Sale of Fixed Assets	3,319,823	1,667,845
Interest on Fixed Deposits	-653,748	--
Change in investment	--	--
Movement in Short Term Loan and Advances	4,497,883	99,721,027
Movement in Long Term Loans And Advances	14,558,391	-61,319,334
Net Cash Used in Investing Activities	21,722,349	40,069,538
C) CASH FLOW FROM FINANCING ACTIVITIES :		
Finance Cost	-25,173	-79,405
Dividend and Dividend Distribution Tax	--	--
Movement In Long Term Borrowing	--	--
Movement in Short Term Borrowings	-615,734	-29,994,565
Undeclared Dividend And Tax Thereon	-909,058	1,551,604
Net Cash Used in Financing Activities	-1,549,965	-28,522,366
Net Cash flow (A+B+C)	-227,177	-23,667
Cash & Cash Equivalents at the beginning of the year	3,532,754	3,556,471
Cash & Cash Equivalents at the end of the year	3,305,577	3,532,754

As Per our Report of even date

For Kirit & Co.
Chartered Accountants

Kirit Kumar
Proprietor
M. No. 038047
FRN. : 132282 W

Date : 30.05.2015
Place : Ahmedabad

For and on behalf of the Board of Directors

Ajazahmad Ansari **Babulal J Hirani**
Director Director
DIN: 06961260 DIN: 02362983

Date : 30.05.2015
Place : Mumbai

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in Rs.)

	As at 31st March 2015		As at 31st March 2014	
	Number	Amounts	Number	Amounts
1. SHARE CAPITAL :				
Authorised Share Capital :				
23,00,00,000 Equity shares of Rs. 1 each (P.Y. : 23,00,00,000 Equity shares of Rs. 1 each)	230,000,000	230,000,000	230,000,000	230,000,000
	230,000,000	230,000,000	230,000,000	230,000,000
Issued, Subscribed & Paid up :				
22,25,00,000 Equity shares of Rs. 1 each (P.Y. : 22,25,00,000 Equity shares of Rs. 1 each)	222,500,000	222,500,000	222,500,000	222,500,000
5,00,000 Preference Shares of Rs. 10 each (8% Non-Cumulative Redeemable Preference Shares)* (P.Y.: 5,00,000 Preference Shares of Rs. 10 each)	--	--	--	--
TOTAL	222,500,000	222,500,000	222,500,000	222,500,000

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

Particulars	As at 31st March 2015		As at 31st March 2014	
	Number	Amount in Rs.	Number	Amount in Rs.
Shares Outstanding at the beginning of the year	222,500,000	222,500,000	222,500,000	222,500,000
Shares Issued during the year	--	--	--	--
Shares bought back during the year	--	--	--	--
Shares outstanding at the end of the year	222,500,000	222,500,000	222,500,000	222,500,000

1.2 The details of shareholders holding more than 5% shares :

Name of Shareholder	As at 31st March 2015		As at 31st March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
KGN Holdings Private Limited	119,908,452	53.89%	109,089,000	49.03%

(Amount in Rs.)

Particulars	As at 31 March, 2015	As at 31 March, 2014
2. RESERVE & SURPLUS :		
A. Share Premium		
Opening Balance	350,000,000	350,000,000
	350,000,000	350,000,000
B. Profit & Loss Statement Balance		
Opening Balance	45,475,715	43,723,500
(+) Current Year Transfer	887,503	200,811
Less : Appropriation	2,684,000	--
Undeclared Dividend	2,099,345	1,335,000.00
Tax on Undeclared Dividend	361,118	216,404.00
Closing Balance	46,139,681	45,475,715
TOTAL	396,139,681	395,475,766

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in Rs.)

Particulars	As at 31 March, 2015	As at 31 March, 2014
3. DEFERRED TAX LIABILITIES(NET) :		
Opening Balance	814,756	750,285
Add : During the Year	67,760	64,471
TOTAL	882,516	814,756
4. LONG TERM BORROWING :		
(a) Others	3,500,000	3,500,000.00
TOTAL	3,500,000	3,500,000
5. SHORT TERM BORROWINGS :		
Unsecured :		
(a) Other	17,432,291	18,048,025
TOTAL	17,432,291	18,048,025
6. OTHER CURRENT LIABILITIES :		
Audit Fees Payable	112,600	63,200
TDS Payable	510,642	--
Sundry Creditor For Expenses	574,097	685,003
Professional Tax	1,200	--
Others Current Liabilities	1,932,731	26,826,583
TOTAL	3,131,270	27,574,786
7. SHORT TERM PROVISIONS :		
(a) Provision for employee benefits		
Salary & Reimbursements	83,617	264,813
(b) Others		
Provision for audit fees	20,000	59,400
Provision For Expenses	600	89,550
Provision for Income Tax A.Y. 2014-15	-	300,000
Provision for Income Tax A.Y. 2015-16	249,704	--
Provision for Income Tax	4,127,140	11,911,195
TOTAL	4,481,061	12,624,958

8. FIXED ASSETS :

	Gross Block					Accumulated Depreciation					Net Block	
	Balance as at 1-4-14	Addi- tion/ Disposal	Acquired through busines	Revalue- ation/ Impair-	Balance as at 31-3-15	Balance as at 1-4-14	Depreci- ation charge	Adjust- ment due to	On disposals	Balance as at 31-3-15	Balance as at 31-3-15	Balance as at 31-3-14
a. Tangible Assets												
Furniture and Fixtures	624,172	-624,172	--	--	--	119,233	22,040	--	-141,273	--	--	504,939
Vehicles	6,172,159	-2,040,478	--	--	4,131,681	2,454,935	478,920	--	--	2,933,855	1,197,826	3,717,224
Office equipment	539,825	-216,228			323,597	113,003	13,648		-3,644	123,007	200,591	426,822
Computers	1,311,530	-317,230	-	-	994,300	873,215	65,772	-	-38,532	900,455	93,845	438,315
Total	8,647,686	-3,198,109	-	-	5,449,577	3,592,349	580,380	-	-183,449	3,957,316	1,492,261	5,087,300
b. Intangible Assets												
Trade Mark	177,600	-121,714	-	-	55,886	-	49,262	-	-	49,262	6,624	177,600
Total	177,600	-121,714	-	-	55,886	-	49,262	-	-	49,262	6,624	177,600
Work In Progress												
CBM BLOCK	45,783,631	-			45,783,631	-	-	-	-	-	45,783,631	45,783,631
Total	45,783,631	-	-	-	45,783,631	-	-	-	-	-	45,783,631	45,783,631
Total	54,608,917	-3,319,823	-	-	51,289,094	3,032,240	629,642	-	-183,449	4,006,578	47,282,516	51,048,532

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March 2015		As at 31st March 2014	
	Number of Shares	Amount (in R.s)	Number of Shares	Amount (in Rs.)
9. NON-CURRENT INVESTMENTS :				
A. TRADE INVESTMENTS	--	--	--	--
B. OTHER INVESTMENTS				
(A) In Equity Shares of Subsidiary Companies :				
UNQUOTED , fully Paid up				
KGN Projects Limited	99,994	999,940	99,994	999,940
(B) In Equity Shares of other Companies				
Asian Logistics Limited		29,250,000		29,250,000
(B) National Saving Certificate		10,000		10,000
		30,259,940		30,259,940
TOTAL (A+B)	99,994	30,259,940	99,994	30,259,940

(Amount in Rs.)

Particulars	As at 31 March, 2015	As at 31 March, 2014
10. LONG TERM LOANS AND ADVANCES :		
a. Loans and Advances to Related Parties		
Unsecured, considered good		
KGN Enterprises Limited	144,277,868	158,839,809
KGN Properties Private Limited	129,622,093	129,618,543
b. Others Loans and Advances		
Unsecured, considered good	144,618,295	144,618,295
TOTAL	418,518,256	433,076,647
11. OTHER NON-CURRENT ASSETS :		
Preliminary Expenses not Written Off	--	--
TOTAL	--	--
12. TRADE RECEIVABLE :		
(Unsecured and Considered Good)		
Over Six Months	26,365,212	26,465,212
Other	--	1,685,400
TOTAL	26,365,212	28,150,612
13. CASH AND CASH EQUIVALENTS :		
a. Balances with banks	1,037,319	1,360,982
b. Cash in hand	268,258	171,772
c. Fixed Deposit with Bank	2,000,000	2,000,000
TOTAL	3,305,577	3,532,754
14. SHORT-TERM LOANS AND ADVANCES :		
a. Security Deposit		
Unsecured, considered good		
Deposit with Government Authority	83,513,200	83,513,200
Other Deposits	496,500	708,993
a. Loans and Advances to Related Parties		
KGN Project Limited	1,597,943	1,662,393
b. Others (specify nature)		
Unsecured, considered good		
Balance With Revenue Authority	23,550	2,997,091
Other	518,500	1,765,900
TOTAL	86,149,693	90,647,576

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in Rs.)

Particulars	As at 31 March, 2015	As at 31 March, 2014
15. OTHER CURRENT ASSETS :		
Interest Receivable	758,799	170,431
Other Income Receivable	26,211,401	40,673,225
Other Receivable	--	13,163
Prepaid Insurance	--	45,067
Preliminary Expenses not Written Off	--	325,960
Sales Tax Credit	663,382	697
Service Tax Credit	2,672,504	2,593,636
TOTAL	30,306,086	43,822,179

(Amount in Rs.)

Particulars	2014-2015	2013-2014
16. REVENUE FROM OPERATION :		
Income from Operation	792,370	50,399,805
Other Income	5,762,975	3,886,560
TOTAL	6,555,345	54,286,365

17. OTHER INCOME :

Interest on Fixed Deposit	653,748	--
Other Income	1,899,120	2,783
TOTAL	2,552,868	2,783

18. EMPLOYEE BENEFITS EXPENSE :

(a) Salaries and Incentives	1,302,719	3,850,269
(c) Directors' Sitting Fees	2,000	39,200
(c) Staff Welfare Expenses	37,845	47,085
TOTAL	1,342,564	3,936,554

19. FINANCE COST :

Bank Charges	17,535	868
Interest On Professional Tax	1,700	--
Other	5,938	78,536
TOTAL	25,173	79,405

20. DEPRECIATION & AMORTISATION EXPENSES :

Depreciation on Fixed Assets	629,642	436,645
Preliminary Expense Written Off during the year	325,960	252,622
TOTAL	955,602	689,267

21. OTHER EXPENSES :**A. ADMINISTRATION EXPENSES :**

Advertisement Expenses	54,204	55,804
Audit Fees Expenses	20,000	66,000
Bad Debts Written Off	373,520	--
Books & Periodicals	3,766	3,604
Short Provision of Income Tax	166,993	--

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in Rs.)

Particulars	2014-2015	2013-2014
21. OTHER EXPENSES : (Contd.....)		
A. ADMINISTRATION EXPENSES :		
Car Expenses	280	1,075
Cable & Internet Expenses	6,174	1,919
Conveyance Expenses	48,070	59,157
Demat Expenses	--	110
Donation Expenses	--	1,100
Electricity Expenses	204,817	323,886
Food & Refreshment Expenses	19,276	25,020
Hotel Club & Hospitality Expenses	8,250	3,500
Insurance Expenses	27,863	17,417
Legal & Professional Fees	1,362,912	133,647
Listing(BSE & ASE) Fees	106,742	179,776
Lodging & Boarding Expenses	46,821	127,789
Membership Fees Expenses	-3,248	35,566
Miscellaneous Expenses	296,489	656,014
Office Expenses	56,439	16,087
Office Rent, Rate & Taxes Expenses	1,322,629	3,619,393
Petrol Expense	15,300	19,130
Pooja Expenses	6,652	10,922
Postage & Courier Expenses	11,643	13,161
Printing & Stationery Expenses	65,589	71,470
Property Tax	74,004	13,751
Repair & Maintenance Expenses	159,650	47,129
ROC Expenses	11,866	2,054
Annual Custody Fees	100,000	--
Society Maintenance Expenses	31,527	49,562
Telephone & Broadband Expenses	117,088	162,966
Trading Expenses	-	696
Travelling Expenses	205,608	170,328
Web Development Expenses	3,524	3,724
TOTAL	4,924,447	5,891,756

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015 :

22. 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.
23. 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, 2015. 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.
24. Contingent Liability is not provided for is Rs. 'NIL'.
25. All Debit and Credit balance and accounts squared up during the year are subject to confirmation from respective parties.
26. Company has been awarded in NELP Round Block located at Vindhayan, Madhya Pradesh. Last 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.

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 :

No.	Name of Related Party	Relationship
1.	KGN Projects Limited	Subsidiary
2.	KGN Enterprises Limited	Enterprise over which Key Managerial Personnel are able to exercise significant influence
3	Arif I Memon	Key Managerial Personnel

(ii) Transaction during the year with Related Parties :

No.	Name of Related Party	Nature of Transaction	Transaction Amount	Closing Balance
1	KGN Projects Limited	Loans & Advances Returned (net)	64450/-	15,97,943/-
2	KGN Enterprises Limited	Loans & Advances Returned (net)	77,00,191/-	14,42,77,868/-
3	KGN Enterprises Limited	Purchase	68,61,750/-	-
4	Arif Memon	Loan Repayment	23,15,734/-	157,32,291/-

28. Payment to the Auditor :

No.	Particulars	2014-2015	2013-2014
a.	For Statutory Audit	20000	50,000
b.	For Tax Audit	NIL	10,000
c.	For Consulting Fees	NIL	6,000

As Per our Report of even date

For Kirit & Co.
Chartered Accountants

Kirit Kumar
Proprietor
M. No. 038047
FRN. : 132282 W

Date : 30.05.2015
Place : Ahmedabad

For and on behalf of the Board of Directors

Ajazahmad Ansari
Director
DIN: 06961260

Babulal J Hirani
Director
DIN: 02362983

Date : 30.05.2015
Place : Mumbai

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 day of Acquisition/Installation.

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 is 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.

During the Year Company dealt in Trading activities on stock exchange, hence it has no closing stock.

7. PRELIMINARY EXPENDITURE :

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

8. REVENUE RECOGNITION :

All incomes and expenditure are accounted on accrual basis except where stated otherwise. Dividend income is recognized when right to receive is established. 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 Liability is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.

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 exist, 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.

There are no Foreign Currency Transactions during the year.

14. GENERAL ACCOUNTING POLICIES :

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

As Per our Report of even date

For Kirit & Co.
Chartered Accountants

Kirit Kumar
Proprietor
M. No. 038047
FRN. : 132282 W

Date : 30.05.2015
Place : Ahmedabad

For and on behalf of the Board of Directors

Ajazahmad Ansari
Director
DIN: 06961260

Babulal J Hirani
Director
DIN: 02362983

Date : 30.05.2015
Place : Mumbai

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015

(Amount in Rs.)

Particulars	Note	As at 31 March, 2015	As at 31 March, 2014
I. EQUITY AND LIABILITIES :			
1. Shareholders' Funds			
(a) Share Capital	1	222,500,000	222,500,000
(b) Reserves and Surplus	2	396,956,439	396,288,703
2. Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	3	882,516	814,756
(b) Long-Term Borrowings	4	3,500,000	3,500,000
3. Current Liabilities			
(a) Short-Term Borrowings	5	17,473,687	18,089,115
(b) Trade Payables		2,563,315	2,563,315
(c) Other Current Liabilities	6	3,131,270	27,591,522
(d) Short-Term Provisions	7	4,485,129	12,640,946
TOTAL		651,492,306	683,988,308
II. ASSETS :			
Non-Current Assets			
1. (a) Fixed Assets	8		
(i) Tangible Assets		1,492,261	5,087,300
(ii) Intangible Assets		6,624	177,600
(iii) Work in progress		45,783,632	45,783,632
(b) Non-Current Investments	9	29,260,000	29,260,000
(c) Long-Term Loans and Advances	10	424,518,256	439,076,647
2. Current Assets			
(a) Inventories		5,879,540	
(b) Trade Receivables	11	26,365,212	28,150,612
(c) Cash And Cash Equivalents	12	3,328,945	3,636,425
(d) Short-Term Loans And Advances	13	84,551,750	88,985,184
(e) Other Current Assets	14	30,306,086	43,830,908
TOTAL		651,492,306	683,988,308

Significant Accounting Policies**Notes to Accounts**

1 to 28

The Accompanying notes are an Integral Part of Financial Statements

As Per our Report of even date

For Kirit & Co.

Chartered Accountants

Kirit Kumar

Proprietor

M. No. 038047

FRN. : 132282 W

Date : 30.05.2015**Place : Ahmedabad****For and on behalf of the Board of Directors****Ajazahmad Ansari**

Director

DIN: 06961260

Babulal J Hirani

Director

DIN: 02362983

Date : 30.05.2015**Place : Mumbai**

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs.)

Particulars	Note	2014-2015	2013-2014
INCOME :			
I. Revenue From Operations	15	6,555,345	54,314,865
II. Other Income	16	2,072,501	46,131
III. Total Revenue (I + II)		8,627,846	54,360,996
IV. EXPENDITURE :			
Purchases of Stock-in-Trade		6,535,000	43,035,533
Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade		-5,879,540	--
Employee Benefits Expense	17	1,342,564	3,972,791
Finance Costs	18	27,752	79,404
Depreciation and Amortization Expense	19	964,331	789,496
Other Expenses	20	4,940,048	5,915,320
Total Expenses		7,930,155	53,792,544
V Profit Before Tax (III- IV)		697,691	568,452
VI Tax Expense:			
(1) Current Tax		251,772	301,100
(2) Deferred Tax		67,760	64,471
(2) Excess Provision of Income Tax		-513,967	--
VII Profit for the Year (V-VI)		892,126	202,881
VIII Earnings per Shares of ' 1/- each fully paid up (in Rs.)			
Basic		0.004	0.001
Diluted		0.004	0.001

**Significant Accounting Policies
Notes to Accounts**

1 to 29

The Accompanying notes are an Integral Part of Financial Statements

As Per our Report of even date

For Kirit & Co.
Chartered Accountants**Kirit Kumar**
Proprietor
M. No. 038047
FRN. : 132282 W**Date : 30.05.2015**
Place : Ahmedabad**For and on behalf of the Board of Directors****Ajazahmad Ansari**
Director
DIN: 06961260**Babulal J Hirani**
Director
DIN: 02362983**Date : 30.05.2015**
Place : Mumbai

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 2014-2015

(Amount in Rs.)

Particulars	2014-2015	2013-2014
CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax as per Profit and Loss Statement Balance	697,691	568,452
Adjustment For:		
Depreciation and Amortisation Expenses	964,331	528,145
Excess Provisions	166,330	2,743
Finance Cost	27,752	79,404
Interest on Fixed Deposits	-653,748	--
Operating Profit before Working Capital Changes	1,202,356	1,178,744
Adjustment For:		
(Increase)/Decrease in Trade Receivable	1,785,400	-1,685,400
(Increase)/Decrease in Inventories	-5,879,540	--
(Increase)/Decrease in Other Current Assets	13,524,822	-2,144,325
(Increase)/Decrease in Other Non-Current Assets	--	334,689
Increase/(Decrease) in Other Current Liabilities	-24,460,252	-3,283,163
Increase/(Decrease) in Short Term Provisions	-3,337,029	-1,613,773
Increase/(Decrease) in Long Term Provisions	513,967	--
Changes in Working Capital	-17,852,632	-8,391,971
Cash Generated From Operations	-16,650,277	-7,213,227
Taxes Paid	5,070,560	3,665,000
Net Cash Flow from Operating Activities	-21,720,837	-10,878,227
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	3,319,822	1,667,845
Preference Share Redeemed	--	--
Being Capital Reserve Created	--	--
Interest on Fixed Deposits	653,748	--
Movement in Short Term Loans And Advances	4,433,434	105,062,419
Movement in Long Term Loans And Advances	14,558,391	-67,319,334
Net Cash Used in Investing Activities	22,965,395	39,410,930
CASH FLOW FROM FINANCING ACTIVITIES :		
Finance Cost	-27,752	-79,404
Dividend and Dividend Distribution Tax	--	--
Movement in Long Term Borrowings	--	--
Movement in Short Term Borrowings	-615,428	-29,994,921
Undeclared Dividend & Tax Thereon	-908,859	1,551,604
Net Cash Used in Financing Activities	-1,552,039	-28,522,721
Net Cash flow (A+B+C)	-307,480	9,982
Cash & Cash Equivalents at the beginning of the year	3,636,425	3,626,443
Cash & Cash Equivalents at the end of the year	3,328,945	3,636,425

As Per our Report of even date

For Kirit & Co.

Chartered Accountants

Kirit Kumar

Proprietor

M. No. 038047

FRN. : 132282 W

Date : 30.05.2015**Place : Ahmedabad****For and on behalf of the Board of Directors****Ajazahmad Ansari**

Director

DIN: 06961260

Babulal J Hirani

Director

DIN: 02362983

Date : 30.05.2015**Place : Mumbai**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in Rs.)

	As at 31st March 2015		As at 31st March 2014	
	Number	Amounts	Number	Amounts
1. SHARE CAPITAL :				
Authorised Share Capital :				
23,00,00,000 Equity shares of Rs. 1 each (P.Y. : 23,00,00,000 Equity shares of Rs. 1 each)	230,000,000	230,000,000	230,000,000	230,000,000
	230,000,000	230,000,000	230,000,000	230,000,000
Issued, Subscribed & Paid up :				
22,25,00,000 Equity shares of Rs. 1 each (P.Y. : 22,25,00,000 Equity shares of Rs. 1 each)	222,500,000	222,500,000	222,500,000	222,500,000
5,00,000 Preference Shares of Rs. 10 each (8% Non-Cumulative Redeemable Preference Shares)* (P.Y.: 5,00,000 Preference Shares of Rs. 10 each)	--	--	--	--
TOTAL	222,500,000	222,500,000	222,500,000	222,500,000

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

Particulars	As at 31st March 2015		As at 31st March 2014	
	Number	Amount in Rs.	Number	Amount in Rs.
Shares Outstanding at the beginning of the year	222,500,000	222,500,000	222,500,000	222,500,000
Shares Issued during the year	--	--	--	--
Shares bought back during the year	--	--	--	--
Shares outstanding at the end of the year	222,500,000	222,500,000	222,500,000	222,500,000

1.2 The details of shareholders holding more than 5% shares :

Name of Shareholder	As at 31st March 2015		As at 31st March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
KGN Holdings Private Limited	119,908,452	53.89%	119,908,452	53.89%

(Amount in Rs.)

Particulars	As at 31 March, 2015	As at 31 March, 2014
2. RESERVE & SURPLUS :		
A. Share Premium		
Opening Balance	350,000,000	350,000,000
	350,000,000	350,000,000
B. Capital Reserve		
Consolidated Reserve	--	60
	--	60
C. Profit & Loss Statement Balance		
Opening Balance	46,288,643	44,534,158
(+) Current Year Transfer	892,126	202,881
Less : Appropriation	2,684,793	
Add: Undeclared Dividend & Tax Thereon		
Undeclared Dividend	2,099,345	1,335,000
Tax On Undeclared Dividend	361,118	216,604
Closing Balance	46,956,439	46,288,643
TOTAL	396,956,439	396,288,703

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in Rs.)

Particulars	As at 31 March, 2015	As at 31 March, 2014
3. DEFERRED TAX LIABILITIES(NET) :		
Opening Balance	814,756	750,285
Add : During The Year	67,760	64,471
TOTAL	882,516	814,756
4. LONG TERM BORROWINGS :		
(a) Others	3,500,000	3,500,000
TOTAL	3,500,000	3,500,000
5. SHORT TERM BORROWINGS :		
Unsecured		
(a) Loans and Advances From Related Parties		
Others	17,473,687	18,089,115
TOTAL	17,473,687	18,089,115
6. OTHER CURRENT LIABILITIES :		
Audit Fees Payable	112,600	79,936
TDS Payable	510,642	--
Sundry Creditor For Expenses	574,097	685,003
Professional Tax	1,200	--
Others	1,932,731	26,826,583
TOTAL	3,131,270	27,591,522
7. SHORT TERM PROVISIONS :		
(a) Provision for employee benefits		
Salary & Reimbursements	83,617	274,083
(b) Others		
Provision for Audit fees	22,000	65,018
Provision for Expenses*	600	89,550
Provision for Income Tax A.Y. 2014-15	--	301,100
Provision for Income Tax A.Y. 2015-16	251,772	--
Provision for Income Tax* *	4,127,140	11,911,195
TOTAL	4,485,129	12,640,946

8. FIXED ASSETS :

	Gross Block					Accumulated Depreciation					Net Block	
	Balance as at 1-4-14	Addi- tion/ Disposal	Acquired through busines	Revalu- ation/ Impair-	Balance as at 31-3-15	Balance as at 1-4-14	Depreci- ation charge	Adjust- ment due to	On disposals	Balance as at 31-3-15	Balance as at 31-3-15	Balance as at 31-3-14
a. Tangible Assets												
Furniture and Fixtures	624,172	-624,172	-	-	-	119,233	22,040	-	-141,273	-	-	504,939
Vehicles	6,172,159	-2,040,478	-	-	4,131,681	2,454,935	478,920	-	-	2,933,855	1,197,826	3,717,224
Office equipment	539,825	-216,228	-	-	323,597	113,003	13,648	-	-3,644	123,007	200,590	426,822
Computers	1,311,530	-317,230	-	-	994,300	873,215	65,772	-	-38,532	900,455	93,845	438,315
Total	8,647,686	-3,198,108	-	-	5,449,578	3,560,386	580,380	-	-183,449	3,957,317	1,492,261	5,087,300
b. Intangible Assets												
Trade Mark	177,600	-121,714	-	-	55,886	-	49,262	-	-	49,262	6,624	177,600
Total	177,600	-121,714	-	-	55,886	-	49,262	-	-	49,262	6,624	177,600
c. Work in Progress												
CBM Block	45,783,632	-	-	-	45,783,632	-	-	-	-	-	45,783,632	45,783,632
Total	45,783,632	-	-	-	45,783,632	-	-	-	-	-	45,783,632	45,783,632
Total	54,608,918	-3,319,822	-	-	51,289,096	3,560,386	629,642	-	-183,449	4,006,579	47,282,517	51,048,532

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March 2015		As at 31st March 2014	
	Number of Shares	Amount (in R.s)	Number of Shares	Amount (in Rs.)
9. NON-CURRENT INVESTMENTS :				
A. OTHER INVESTMENTS :				
(A) In Equity Shares Of Other Companies				
Asian Logistics Limited		29,250,000		29,250,000
(B) National Saving Certificate		10,000		10,000
		29,260,000		29,260,000
TOTAL (A+B)	--	29,260,000	--	29,260,000

(Amount in Rs.)

Particulars	As at 31 March, 2015	As at 31 March, 2014
-------------	-------------------------	-------------------------

10. LONG TERM LOANS AND ADVANCES :**a. Loans and Advances to Related Parties**

Unsecured, considered good

KGN Enterprises Limited

144,277,868

158,839,809

KGN Properties Private Limited

129,622,093

129,618,543

b. Others Loans and Advances

Unsecured, considered good

Others

150,618,295

150,618,295

TOTAL**424,518,256****439,076,647****11. TRADE RECEIVABLE :****(Unsecured and Considered Good)**

Over Six Months

26,365,212

26,465,212

Other

--

1,685,400

TOTAL**26,365,212****28,150,612****12. CASH AND CASH EQUIVALENTS :**

a. Balances with banks

1,050,128

1,371,740

b. Cash in hand

278,817

264,685

c. Fixed Deposit with Bank

2,000,000

2,000,000

TOTAL**3,328,945****3,636,425****13. SHORT-TERM LOANS AND ADVANCES :****a. Security Deposit**

Unsecured, considered good

Deposit with Government Authority

83,513,200

83,513,200

Other Deposits

496,500

708,993.00

b. Others (specify nature)

Balance With Revenue Authority

23,550

2,997,091

Others

518,500

1,765,900

TOTAL**84,551,750****88,985,184**

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in Rs.)

Particulars	As at 31 March, 2015	As at 31 March, 2014
14. OTHER CURRENT ASSETS :		
Interest Receivable	758,799	170,431
Other Income Receivable	26,211,401	40,673,225
Other Receivable	--	13,163
Prepaid Insurance	--	45,067
Service Tax input credit	2,672,504	2,593,636
Preliminary Expenses not written off	--	334,689
Sales Tax Credit	663,382	697
TOTAL	30,306,086	43,830,908

(Amount in Rs.)

Particulars	2014-2015	2013-2014
15. REVENUE FROM OPERATION :		
Income From Operation	792,370	50,399,805
Other Income	5,762,975	3,915,060
TOTAL	6,555,345	54,314,865

16. OTHER INCOME :

Interest on Fixed Deposit	653,748	--
Other Income	1,418,753	46,131
TOTAL	2,072,501	46,131

17. EMPLOYEE BENEFITS EXPENSE :

(a) Salaries and Incentives	1,302,719	3,886,506
(b) Director Sitting Fees	2,000	39,200
(c) Staff Welfare Expenses	37,845	47,085
TOTAL	1,342,564	3,972,791

18. FINANCE COST :

Bank Charges	20,114	868
Interest on Professional Tax	1,700	--
Interest On TDS	5,938	78,536
TOTAL	27,752	79,404

19. DEPRECIATION & AMORTISATION EXPENSES :

Depreciation on Fixed Assets	629,642	528,145
Preliminary Expense Written Off during the year	334,689	261,351
TOTAL	964,331	789,496

20. OTHER EXPENSES :**A. ADMINISTRATION EXPENSES**

Advertisement Expenses	54,204	55,804
Audit Fees Expenses	22,000	71,618
Bad Debt Written Off	373,520	--
Bank related Charges	--	450
Books And Periodicals	3,766	3,604

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in Rs.)

Particulars	2014-2015	2013-2014
20. OTHER EXPENSES : (Contd.....)		
A. ADMINISTRATION EXPENSES		
Car Expenses	280	1,075
Cable & Internet Expenses	6,174	1,919
Conveyance Expenses	48,070	59,157
Demat Expenses	--	110
Donation Expenses	--	1,100
Electricity Expenses	204,817	323,886
Food & Refreshment Expenses	19,276	25,020
Hotel Club & Hospitality Expenses	8,250	3,500
Insurance Expenses	27,863	17,417
Income Tax Expenses	166,993	--
Legal & Professional Fees	1,367,912	141,142
Listing(BSE & ASE) Fees	106,742	179,776
Lodging & Boarding Expenses	46,821	127,789
Membership Fees Expenses	-3,248	35,566
Miscellaneous Expenses	296,489	656,014
Office Expenses	56,439	26,087
Office Rent, Rate & Taxes Expenses	1,322,629	3,619,393
Petrol Expense	15,300	19,130
Pooja Expenses	6,652	10,922
Postage & Courier Expenses	11,643	13,161
Printing & Stationery Expenses	65,589	71,470
Property Tax	74,004	13,751
Repair & Maintenance Expenses	159,650	47,129
ROC Expenses	20,466	2,054
Annual Custody Fees	100,000	--
Society Maintenance Expenses	31,527	49,562
Telephone & Broadband Expenses	117,088	162,966
Trading on Stock Exchange Expenses	--	696
Travelling Expenses	205,608	170,328
Web Development Expenses	3,524	3,724
Total	4,940,048	5,915,320

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015 :

21. 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.
22. 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, 2015. 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.
23. Contingent Liability is not provided for is Rs. 'NIL'.
24. All Debit and Credit balance and accounts squared up during the year are subject to confirmation from respective parties.
25. Company has been awarded in NELP Round Block located at Vindhayan, Madhya Pradesh. Last 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.

26. RELATED PARTY DISCLOSURES :

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

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

No.	Name of Related Party	Relationship
1	KGN Projects Limited	Subsidiary
2	KGN Enterprises Limited	Enterprise over which Key Managerial Personnel are able to exercise significant influence
3	Arif I Memon	Key Managerial Personnel

27. Transaction during the year with Related Parties :

No.	Name of Related Party	Nature of Transaction	Transaction Amount	Closing Balance
1	KGN Projects Limited	Loans & Advances Returned (net)	64450/-	15,97,943/-
2	KGN Enterprises Limited	Loans & Advances Returned (net)	77,00,191/-	14,42,77,868/-
3	KGN Enterprises Limited	Purchase	68,61,750/-	-
4	Arif Memon	Loan Repayment	23,15,734/-	157,32,291/-

28. Payment to the Auditor :

No.	Particulars	2014-2015	2013-2014
d.	For Statutory Audit	20000	50,000
e.	For Tax Audit	NIL	10,000
f.	For Consulting Fees	NIL	6,000

As Per our Report of even date

For Kirit & Co.

Chartered Accountants

Kirit Kumar

Proprietor

M. No. 038047

FRN. : 132282 W

Date : 30.05.2015

Place : Ahmedabad

For and on behalf of the Board of Directors

Ajazahmad Ansari

Director

DIN: 06961260

Date : 30.05.2015

Place : Mumbai

Babulal J Hirani

Director

DIN: 02362983

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS :**1. PRINCIPLES OF CONSOLIDATION :**

The Consolidated Financial Statements comprises of the Financial Statements of KGN Industries(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	% of Voting Power as at 31st March, 2015 (Including Beneficial Interest)
KGN Projects Limited	India	99.99%

As Per our Report of even date

For Kirit & Co.
Chartered Accountants

Kirit Kumar
Proprietor
M. No. 038047
FRN. : 132282 W

Date : 30.05.2015
Place : Ahmedabad

For and on behalf of the Board of Directors

Ajazahmad Ansari
Director
DIN: 06961260

Babulal J Hirani
Director
DIN: 02362983

Date : 30.05.2015
Place : Mumbai

DETAILS OF SUBSIDIARY COMPANY 2014-2015

Name of the Subsidiary : KGN Projects Limited Financial Years Ends On 31st March, 2015	Amount in Rs.
Share Capital	10,00,000
Reserves	8,17,501
Borrowings	16,38,483
Other Liabilities	25,67,383
Total Liabilities	60,23,367
Cash & Cash Equivalents	23,368
Loans & Advances	60,00,000
Other Assets	NIL
Total Assets	60,23,367
Turnover	33,600
Total Income	33,600
Employee Benefit Expense	NIL
Depreciation And Amortisation Expense	8,729
Other Expense	18,179
Total Expenses	26,908
Profit before Taxation	6,692
Provision for Taxation	2,068
Profit After Taxation	4,624
Proposed Dividend	NIL
Basic (E.P.S.)	0.05
Diluted (E.P.S.)	0.05

For and on Behalf of the Board of Directors

Babulal J Hirani
Director
DIN: 02362983

Form No. MGT-11

PROXY FORM

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

Name of the member(s) : _____

Registered Address : _____

E.Mail Id : _____ Folio No./Client Id : _____ DP ID : _____

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

1. Name : _____

Address : _____

Email ID : _____ Signature : _____ or failing him

2. Name : _____

Address : _____

Email ID : _____ Signature : _____ or failing him

3. Name : _____

Address : _____

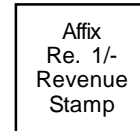
Email ID : _____ Signature : _____

as my / our proxy to attend and vote (on a poll) for me / us and on my /our behalf at the 21st Annual General Meeting to be held on Tuesday, the 29th day of September 2015 at 11:30 A..M. at the **YWCA BOMBAY INTERNATIONAL CENTRE** 18TH MADAME CAMA ROAD, FORT-MUMBAI- 400001 and at any adjournment thereof in respect of such resolutions as are indicated below :

- Resolution No.:**
1. To Approve the Annual Accounts & directors Report and Auditors Report for the year ended on 31.03.2015.
 2. To reappoint Mr. Babulal Hirani as Director of the Company who retires by rotation.
 3. To re-appoint M/s. Kirit & Company as Statutory Auditor for the year ended 2015-2016.
 4. To re-appoint Mr. Aftabahmed Kadri as an Independent Director.
 5. To-reappoint Ms. Janki Ranjitsingh Vaghela as an Independent Director.
 6. To adopt New sets of Article of Association of the company.
 7. To appoint Shri Arifbhai Ismailbhai Memon as Managing Director.

Signed this _____ day of _____, 2015

Signature of shareholder : _____



Signature of Proxy holder(s) : _____

Note :- This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the company, not less than 48 hours before the commencement of the meeting.

ATTENDANCE SLIP

Regd. Folio No.: _____ **DP ID : _____ ** Client ID : _____

21st Annual General Meeting - 29-09-2015

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

I hereby record my presence at the **21st Annual General Meeting** of the Company held on **Tuesday, the 29th September, 2015 at 11:30 A.M.** at the **YWCA BOMBAY INTERNATIONAL CENTRE** 18TH MADAME CAMA ROAD, FORT- MUMBAI-400001.

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

*Member's/ Proxy Signature

Note :-

1. Member/ Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed, at the registration counter.
2. The copy of the Notice may please be brought to the Meeting Hall.

* Strike out whichever is not applicable.

** Applicable only in case of investors holding shares in Electronic Form.

Book-Post

If undelivered, please return to :



KGN INDUSTRIES LIMITED

Registered Office :-

23, Vaswani Mansion, 4th Floor,
Dinshaw Vaccha Road, Opp. K.C. College,
Churchgate, Mumbai-400020.

Corporate Office :

B-15, Hirnen Shopping Centre Co.op.hsg.
Society Ltd., Near CITY Centre, S.V. Raod,
Goregaon (west), Mumbai-400062.