



KGN ENTERPRISES LTD.



KGN ENTERPRISES LIMITED

17th AUDITED ANNUAL REPORT FOR THE YEAR 2010-2011

KGN ENTERPRISES LIMITED

Regd. Office : 23, Vaswani Mansion, 4th Floor, Dinshaw Vaccha Road, opp. K.C. College, Churchgate.400 020.

Factory : Block : 315, 316/1, 318, Village : Hariyala, Kheda : 387 411

KGN ENTERPRISES LIMITED

SEVENTEENTH ANNUAL GENERAL MEETING PROGRAMME

DATE : 29TH SEPTEMBER, 2011

DAY : THURSDAY

TIME : 11.00 A.M.

**VENUE : 23, Vaswani Mansion, 4th Floor, Dinshaw Vaccha Road,
Opp. K.C College, Churchgate, Mumbai 400 020**

KGN ENTERPRISES LIMITED

Registered Office

23, Vaswani Mansion, 4th Floor, Dinshaw Vaccha Road, Opp. K.C College,
Churchgate , Mumbai 400 020

Board of Directors

Shri Ismail Memon	Chairman w.e.f 12.02.2011
Shri Babulal Jethalal Hirani	Managing Director w.e.f. 24.12.2008
Shri Aftab Ahmed I. Kadri	Director w.e.f. 29/01/2007
Shri Dhaval Bhatt	Additional Director w.e.f. 13.05.2011

Bankers of the Company: **Axis Bank Limited**, Churchgate Branch, Mumbai.
State Bank Of India, Navrangpura, Ahmedabad.
Axis Bank Limited, Law Garden, Ahmedabad
Bank Of Baroda, Ashram Road, Ahmedabad

Auditors

M/s Kirit & Co. Chartered Accountants, Ahmedabad

Registrar and Share Transfer Agent

Link Intime India Private Limited

211, Sudarshan Complex, Near Mithakhali Under Bridge, Navrangpura, Ahmedabad – 380 009.

Telfax. : 079-26465179

Email : ahmedabad@linkintime.co.in

KGN ENTERPRISES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTEENTH ANNUAL GENERAL MEETING OF **KGN ENTERPRISES LIMITED** will be held at 23, Vaswani Mansion, 4th Floor, Dinshaw Vaccha Road, Churchgate, Mumbai – 400 020 on Thursday, the 29th September, 2011, at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date, together with the Report of the Board of Directors and the Auditors thereon;
2. To appoint a Director in place of Mr. Ismail Memon, who retires by rotation and is eligible for re-appointment;
3. To appoint M/s Kirit & Co., Chartered Accountants, Ahmedabad as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration for the financial year ending 31st March, 2012;

SPECIAL BUSINESS:

4. To pass, with or without modification(s), if any, the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** Mr. Dhaval Bhatt, who was appointed an Additional Director of the Company by the Board of Directors with effect from 13th May, 2011, under Section 260 of the Companies Act, 1956 (the Act), and who holds office up to the date of the forthcoming Annual General Meeting, and in respect of whom the Company has received a notice in writing from a Member, proposing his candidature for the office of Director under the provisions of Section 257 of the Act, be and is hereby appointed as Director of the Company, whose period of office shall be liable to determination by retirement by rotation.”

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include a committee which the Board may constitute for this purpose) to borrow such sum or sums of money in any manner from time to time, as may be required for the purpose of business of the Company with or without security and upon such terms and conditions as they may think fit, which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) at any time shall not exceed a sum of Rs.500 Crores (Rupees Five hundred Crores) over and above the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper, desirable or expedient to give such effect to this Resolution.”

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company do hereby accorded to the Board of Directors to mortgage and / or create charge on all or any of the movable or immovable properties (both present and future) of the Company or the whole or substantially the whole of the undertaking or the undertakings of the Company for securing any loan obtained or to be obtained from any financial institution or bankers or person or person together with interest, cost, charges, expenses and any other money payable by the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be authorized to do all such acts, deeds, and things as may be necessary to give effect to the foregone resolution for and behalf of the Company.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), the Company be and is hereby authorized to invest in securities of any other bodies corporate by way of subscription/purchase or otherwise and/or place inter corporate deposits with and/or make loan or any other form of debt to and/or give guarantee in connection with loan(s) given by any other person(s) to other bodies corporate up to a sum of Rs.500 Crores (Rupees Five Hundred Crores) not withstanding that the aggregate amount of loans and investments made in so far or to be made and the guarantees given or to be given to all bodies corporate, exceeds the limit laid down in the act.”

“**RESOLVED FURTHER THAT** the Board of Directors or any committee thereof be and is hereby authorized to determine the actual sum of loan to be advanced to other bodies corporate or investment to be made in other bodies corporate or provide guarantees or securities that may be provided by the Company to other bodies corporate within the above ceiling limit and to do all or any of the matters arising out of and incidental to the giving of loan or investment or guarantee or providing securities by the Company as aforesaid.”

By order of the Board of Directors
KGN ENTERPRISES LIMITED

Sd/-
(Ismail Memon)
Chairman

Place : Mumbai,
Date : 25/08/2011

NOTES:

- a) The relative Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956, in respect of business under Item No. 4,5,6 and 7 above, is annexed hereto. The relevant details of directors seeking appointment/re-appointment under Item Nos. 2 & 4 above, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, are also annexed.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting.
- c) The Register of Members and Share Transfer Books of the Company will be closed from Friday, 23rd September, 2011, to Thursday, 29th September, 2011 (both days inclusive).
- d) Members desiring any information on Accounts and/or Operations of the Company are requested to send their queries to the Company at its Registered Office at least 7 days before the date of the Meeting.
- e) All correspondence relating to change of address and shares of the Company may please be addressed to the Share Transfer Agents – Link Intime Private Limited (formerly Intime Spectrum Registry Limited) at 211, Sudarshan Complex, Near Mithakhali Under Bridge, Navrangpura ,Ahmedabad - 380 009.
- f) In view of the 'Green Initiative in Corporate Governance' introduced by the Ministry of Corporate Affairs vide its Circular No 17/2011 dated 21.04.2011, all members who are holding shares of the Company in physical mode, are requested to register their e-mail IDs, so as to enable the Company to send all notices/reports/documents/intimations and other correspondence etc. through e-mails, in the electronic mode instead of receiving physical copies of the same. For registering your email ID, kindly send your email ID details to info@kgnenterprises.com . Members holding shares in Demat mode, who have not registered their e-mail IDs with DPs, are requested to register/update their email IDs with their DPs.
- g) Members are requested to note that dividends not encashed/claimed within seven years from the date of declaration of dividend will, as per Section 205A of the Companies Act, 1956, be transferred to Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company. Members are requested to contact M/s. Link Intime Private Limited for encashing the unclaimed dividend standing to the credit of their account.

By order of the Board of Directors
KGN ENTERPRISES LIMITED
Sd/-
(Ismail Memon)
Chairman

Place : Mumbai,
Date : 25/08/2011

ANNEXURE TO NOTICE

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statements set out all material facts relating to the business mentioned under Item No. 4 to Item No. 7 of the accompanying Notice dated 25/08/2011.

ITEM NO. 4:

Mr. Dhaval Bhatt was appointed an Additional Director of the Company by the Board of Directors w.e.f. 13th May, 2011. Pursuant to Section 260 of the Companies Act, 1956, Mr. Dhaval Bhatt holds office only up to the ensuing Annual General Meeting. As required under Section 257 of the said Act, notice has been received from a member along with deposit of Rs. 500/- signifying his intention to propose Mr. Dhaval Bhatt as a candidate for the office of Director.

The appointment of the Director requires the approval of shareholders in General Meeting by way of an Ordinary Resolution.

None of the Directors, except Mr. Dhaval Bhatt, is in any way concerned or interested in this resolution.

ITEM NO. 5:

The members of the Company has at its meeting held on 25/08/2011, authorized the Board to borrow up to an amount of Rs. 500 Crores (Rupees Five Hundred Crores) in excess of the aggregate paid up capital and free reserves of the Company.

To facilitate future business expansion and to provide resources to meet additional fund requirements for the growing operations of the Company, it is proposed to enhance the present borrowing limits. Approval of the members is therefore sought pursuant to Section 293(1)(d) of the Companies Act, 1956, to increase the borrowing limits to Rs. 500 Crores (Rupees Five Hundred Crores) over and above the paid up capital and free reserves of the Company and to authorize the Board of Directors accordingly.

The Board of Directors accordingly recommends the resolution set out in Item No. 1 of the Notice for your approval.

None of the Directors of the Company is concerned with or interested in this Resolution.

ITEM NO. 6

your approval under Section 293(1)(a) of the Companies Act, 1956, is also being sought to enable the Board to mortgage and / or create charge on all or any of the movable or immovable properties (both present and future) of the Company or the whole or substantially the whole of the undertaking or the undertakings of the Company for securing any loan obtained or to be obtained from any financial institution or bankers etc.

The Board recommends the resolution for approval of the members as Special Resolution.

None of the Directors is concerned or interested in the said resolution.

ITEM NO. 7

Your Company is proposing to make investment in the areas of business of the Company as a measure of achieving better financial flexibility and to enable optimal financial structuring to facilitate speedy implementations of various projects. Keeping in view the need to take advantage of any prospective acquisition or expansion opportunities and investment in other projects directly or indirectly it has become necessary to enhance the limit for making investment in securities, granting loan(s), giving guarantee(s) and/or providing securities to any other bodies corporate.

It is proposed that the Board of Directors be authorized to invest an amount up to Rs. 500 Crores (Rupees Five Hundred Crores) by way of subscription/purchase or grant of loan or giving guarantee(s), providing securities from time to time in one or more tranches.

As per the provisions of Section 372A of the Companies Act, 1956 the Board has power for the above transaction only up to the limit of sixty percent of paid up capital and free reserves or hundred percent of its free reserves.

Accordingly approval of the members by special resolution is sought to have an enabling authority to take or provide loans/securities/guarantee to secure these loans or invest in other companies/ joint ventures/ firms in India and abroad up to Rs. 500 Crores (Rupees Five Hundred Crores), over and above the limits prescribed under Section 372A of the Companies Act, 1956 from time to time.

The Board recommends the resolution for approval of the members as Special Resolution.

None of the Directors is concerned or interested in the said resolution.

**By order of the Board of Directors
KGN ENTERPRISES LIMITED**

**Sd/-
(Ismail Memon)
Chairman**

**Place : Mumbai,
Date : 25/08/2011**

ANNEXURE FORMING PART OF AGM NOTICE

DETAILS OF DIRECTORS WHO ARE PROPOSED TO BE RE - APPOINTED/ APPOINTED PURSUANT TO PROVISIONS OF CLAUSE 49 OF THE LISTING AGREEMENT ARE GIVEN BELOW:

Name of director	Shri. Dhaval Bhatt	Shri Ismail . Memon
Date of Birth	02.06.1979	11.03.1945
Date of initial appointment	13.05.2011	31.07.2010
Qualification	H.S.C	H.S.C
Expertise in specific functional area	Expertise in Insurance Sector. He is founder of JEEVANSURAKSHA.	Manufacturing & Trading of Industrial and Lubricant oil, Greases and other Petrochemichals. Experience of 45 yrs.
No. of shares held in the company	NIL	200000
List of other companies in which holds Directorship as on 31.03.2010	5	6
Chairmanship/ membership of committee of Director of the company	Nil	3
Chairmanship/ membership of committee of Director of other company	Nil	Nil

**BY ORDER OF THE BOARD OF DIRECTORS
KGN ENTERPRISE LIMITED**

**Sd/-
(Ismail Memon)
Chairman**

Date : 25/08/2011

Place : Mumbai

DIRECTORS' REPORT

To,
The Members,
KGN ENTERPRISES LIMITED
Maharashtra

Dear Shareholders,

Your Directors are pleased to present the 17th Annual Report together with Audited Financial Accounts for the year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS:

During the year under review the Financial performance of the Company is as under:-
(Amount ` In Lacs)

Particulars	For the Year ended on 31/03/2011	For the Year ended on 31/03/2010
Total Income	963.55	17501.20
Total Expenses	810.17	16999.82
Profit before depreciation & tax	153.37	501.37
Provision for Depreciation	0.00	225.79
Profit before tax	153.37	275.58
Provision for Tax	26.00	52.13
Net profit for the Year	127.37	223.45
Add : Balance B/F from previous year	441.68	206.69
Deferred tax liabilities	0.00	(23.48)
Proposed dividend on Equity Shares	0.00	10.24
Dividend Tax	0.00	1.74
Balance carried to Balance sheet	569.06	441.65
Basic Earnings per share (in Rupees)	0.75	1.21

DIVIDEND:

Your Directors do not recommend payment of dividend for the year under review.

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

A detailed analysis of the Company's performance is mentioned in the Management Discussion and Analysis Report, which forms part of this Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of Companies Act, 1956, it is hereby confirmed:

- a) That in the preparation of the annual accounts financial year ended 31st March, 2011, the applicable accounting standards have been followed and there is no material departures from the same;
- b) That 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 true and fair view of the state of affairs of the Company at the end of the financial year 31st March 2011 and of the profit/loss of the Company for that year;
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- d) That the Directors have prepared the annual accounts for the financial year ended 31st March, 2011 on 'a going concern' basis.

CORPORATE GOVERNANCE:

Your Company is committed to follow the best of the corporate governance practices and follows the same while conducting the affairs of the company. The Compliance Report on Corporate Governance along with Chartered Accountant Certificate thereon forms part of the Annual Report.

SUBSIDIARY COMPANIES:

Your company has four subsidiary companies i.e. KGN Bio- Tech Limited, KGN Green Limited, KGN Proteins Limited, and KGN Oil & Gas Private Limited.

As required under the provisions of Section 212 of the Companies Act, 1956, a statement of the holding company's interest in the subsidiary companies is appended to the Balance Sheet.

The Ministry of Corporate Affairs, Government of India has vide Circular no. 2/2011 dated 21st February 2011 granted general exemption subject to fulfillment of certain conditions from attaching the Balance Sheet of the Subsidiaries to the Balance Sheet of the Company without making an application for exemption. Accordingly, the Balance Sheet, Profit & Loss Account & other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary companies is disclosed in the Annual Report. The Annual Accounts of these subsidiaries and related detailed information will be made available to any member of the Company/ its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/ its Subsidiaries at Registered Office of the Company. The Annual Accounts of the said Subsidiaries will also be available for inspection, as above, at the Head office of the respective subsidiary companies.

CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of subsidiaries have been prepared in accordance with Accounting Standards 21 of the Institute of Chartered Accountants of India which forms part of the Annual Report and are reflected in Consolidated Accounts of the Company.

DEPOSITS:

During the year under review your company has neither invited nor accepted any public deposit or deposits from the public as defined under Section 58A of the Companies Act, 1956. The Deposits any accepted from the Directors are exempt as per the provisions of Section 58A of the Companies Act, 1956.

DIRECTORS:

During the period under review, following changes took place in the Board of Directors:

Shri Ismail Memon, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Your Directors recommend his reappointment.

During the year Shri Dhaval Bhanushankar Bhatt has been appointed as Additional Director of the Company w.e.f.13th May, 2011. The Company has received notice from Members pursuant to section 257 of the Companies Act, 1956, signifying their intention to propose the candidature of Shri Dhaval Bhanushankar Bhatt for the office of Directors. The Board recommends their appointment.

Shri Arif Memon was appointed as director of the Company w.e.f. 28th September, 2010 and then he resigned from the office of the Board of Directors of the Company w.e.f.13th January, 2011. The Board places on record its appreciation for the services rendered by them during their tenure.

ISSUE & ALLOTMENT OF 5, 00,000 PREFERENCE SHARES:

The Company had issued and allotted 500,000 Redeemable Non-cumulative Preference Shares of Rs.10/- each during the year under review.

AUDITORS:

M/s Kirit & Co., Chartered Accountants, Ahmedabad, retires at the ensuing Annual General Meeting and is eligible for reappointment. The Company has received a certificate from them that their appointment if approved by the shareholders would be within the ceiling prescribed under section 224(1B) of the Companies Act, 1956. The members are requested to appoint auditors to hold office until the conclusion of the next Annual General Meeting of the Company.

AUDITORS OBSERVATIONS:

The observations, if any, made by the Auditors in Audit Report have been duly clarified and explained either in their Report or in the relevant notes forming part of the Annual Accounts, which are self explanatory and do not need any further clarification.

EMPLOYEES:

Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company, and hence the information is not given.

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

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, are not applicable to the Company and hence not given.

APPRECIATION :

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

**BY ORDER OF THE BOARD OF DIRECTORS
KGN ENTERPRISE LIMITED**

**Sd/-
(Ismail Memon)
Chairman**

**Date : 25/08/2011
Place : Mumbai**

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRIAL SCENARIO AND ECONOMY.

It is common knowledge that India is the world's largest producer, consumer and exporter of castor oil. In the global market, India enjoys a dominant position by virtue of its ability to meet over 80 per cent of the demand for castor oil. Total exports including derivatives are estimated at about Rs 3,000 crore (about \$650 million) a year. The global castor derivatives market estimated at over \$1,000 million is highly dependent on India as a source of supply. (Castor oil Report 2011)

2. PRESENT BUSINESS:

KGN Enterprises is an agro-based industry is catering increasing demand of castor oil and its derivatives in the International market. The company aims at creating a unique castor complex with the latest technologies and an excellent Research and Development Centre in the field of Agrochemicals.

KGN Enterprises Ltd offers a wide range of products in Castor oil, Castor oil Derivatives and De-oiled castor cake.

Castor Oil
Commercial Grade
Refined B.S.S Grade
First special Grade
Extra special Grade
Pale pressed Grade
Low moisture Grade
Electric Grade
B P Grade
U S Pharma
DAB-10

These products are widely known for purity, high efficacy, precise composition and many more attributes.

3. BUSINESS PERFORMANCE:

The Consolidated Profit And Loss Statement for the Financial Year ended 31st, March 2011 is as follows:

Particulars	2010-2011	2009-2010	% Change
Net Sales & other Incomes	96355137	1750119625	55.056%
Profit before Interest and Tax	15304607	27557697	55.53%
Provision for Tax	2600000	5212700	49.87%
Profit After Tax	12704607	24692724	51.45%

4. STRATEGIC INITIATIVE:

In 2010 KGN Enterprise Limited had added one more Subsidiary i.e. KGN OIL& Gas Private Limited in to its list and bided in Nelp IX round.

KGN Enterprises Limited has installed new plants i.e. 12 Hydroxy Stearic Acid, Hydrogenated Castor Oil, Methyl Ricinoleate, Hydrogenated Methyl Ricinoleate, Undecylenic Acid and Ricinoleic Acid

5. FUTURE OUTLOOK:

- To increase capacity of the current plants installed to cater in increased demand of the castor oil and castor oil derivatives.
- To enter into international market through exports
- To install sebacic acid plant with the Proposed products to be manufactured are Sebacic acid, C 10 Diamine, Distilled Sebacic acid, Nylon-5, Nylon-10, Nylon-11, and Nylon-12

Here is the list of Subsidiaries of KGN Enterprise limited showing Individual Financial Highlights:

A. KGN BIOTECH LIMITED:

KGN Biotech Limited was incorporated on 6th, April. 2010 with a view of tapping the development of various Derivatives manufactured out of main raw material i.e. Castor Oil and derivatives of castor oil. **KGN Biotech Ltd** offers following products:

Castor oil Derivatives
12 Hydroxy Stearic Acid
Hydrogenated Castor Oil
Methyl Ricinoleate
Hydrogenated Methyl Ricinoleate
Undecylenic Acid
Ricinoleic Acid

India, today, holds a small share of the global biotech market, but has all the capabilities to become a dominant player. The consumption of biotech products in India is expected to quadruple in the next decade.

KGN Biotech Limited has a Vision to emerge in medical and agriculture industry. A recent report by the Confederation of Indian Industries and YES BANK estimates that, also by 2013, a 20% annual growth rate will take the Indian biotechnology industry from \$1 billion in 2005 to \$8 billion. The report forecasts that India will account for 3–5% of the global biopharmaceutical market. So there is a huge scope of for KGN Biotech Limited for Growth and Expansion. (IBEF)

B. KGN PROTEINS LIMITED:

KGN Proteins Limited was incorporated as on 2.08.2010 with a view of diversifying its business. KGN Proteins Limited has a vision to Explore and Expand its product line into Flour Mill and Edible Oil Manufacturing Plant.

Edible oil industry in India is expanding at a pace faster than its peers around the world because of increasing per-capita consumption that still stands at much lower levels compared with world average. Nearly half of the domestic demand is being met through imports. Further, the import dependence is

only expected to increase going forward owing to robust potential of growth in demand against much lesser scope for increase in domestic supply.

C. KGN GREEN LIMITED:

KGN GREEN limited was incorporated on 22.6.2010 for diversifying its business and expertise in the field of Organic Farming and Contract Farming.

With a steady annual growth of 40% on rising population, higher disposable incomes and rising health consciousness, India's organic farming industry is set to grow to Rs 10,000 cr, according to Associated Chambers of Commerce and Industry of India (ASSOCHAM). Presently, Indian organic farming market is estimated at Rs 2,500 cr. So there is a huge Scope for KGN Green Limited to grow in Organic Farming.

Company has a vision to Acquire land in International markets.

D. KGN OIL & GAS PRIVATE LIMITED:

KGN Oil & Gas was incorporated on 22nd, July, 2010 for diversifying its business in the field of Oil & Gas. According to CRISIL Sector of Oil and Gas are expected to attract huge investment in the coming year.

KGN Oil& Gas is a Provisional Winner of Two Cambay Blocks in NELP IX. It's into Oil and Gas sector.

1. Opportunities and Threats Risks and Concern:

The castor seed price tends to firm up during the planting period and eases down during the harvesting period. Prices tend to show significant inter-seasonal variations. Leading countries from practically every continent (North & South America, Europe, Asia, Africa and Oceania) are showing renewed interest in the castor crop. In fact the unit will get its market in the international market since the use of the derivatives in the international market by the manufacturers in the world market has the positive advantage from the marketing point of view. The company is also exploring the much thrust area of Exports.(REF: IBEF)

2. INTERNAL CONTROL SYSTEM & THEIR ADEQUACY:

The company has a Comprehensive System of Internal controls to safeguard the Company's Assets against loss from unauthorised use, defects, frauds. The Company has a sophisticated manufacturing unit. The production unit is well equipped with Modern machines and Equipments.

The Company Maintains a system of Internal Controls Designed to provide a High degree of assurance regarding the effectiveness and efficiency of operation, the reliability of Financial controls and Compliance with all applicable Laws and regulations as applicable in various jurisdiction in which company operates.

The internal audit programme is finalized in consultation with the audit committee of the Board. The Audit committee of the Board meets periodically to review various aspects of the performance of the company and also review various aspects of the performance of the company and also review the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them from time to time.

3. CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be "forward looking statement" within the meaning of applicable securities laws and regulations. The actual results may differ from those expected depending upon the economic conditions, changes in Govt. Regulations, and amendments in tax laws and other internal and external factors.

**BY ORDER OF THE BOARD OF DIRECTORS
KGN ENTERPRISE LIMITED**

**Sd/-
(Ismail Memon)
Chairman**

Date : 25/08/2011

Place : Mumbai

REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE:

As required under Clause 49 of the Listing Agreement executed with the Stock Exchanges, a Report on Corporate Governance is given hereunder. The said report forms part of the Annual Report of the Company for the year 2010-2011.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company believes in adopting the best practices that are followed in the area of Corporate Governance. Corporate Governance ensures fairness, transparency and integrity of the management. The Company endeavors to strike and deliver the highest governing standards and emphasizes the need for transparency and accountability in all its activities for the benefit of and to protect the interest of its stakeholders.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the stock exchanges, the details are given hereunder:

2. BOARD OF DIRECTORS:

a) Composition & Category of Directors:

The Company has an Executive Chairman. As on 31st March, 2011 there are 3 Directors on its Board. The number of Non-Executive Directors is more than 50% of the total number of directors.

None of the Directors on the Board is a Member of more than 10 Committees or a Chairman on more than 5 Committees, across all companies in which he is a Director, including KGN Enterprises Limited.

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

Total 16 Board Meetings were held during the Financial Year 2010-2011 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are given hereunder:-

01.04.2010, 05.04.2010, 30.04.2010, 10.06.2010, 19.07.2010, 31.07.2010, 10.08.2010, 20.08.2010, 24.09.2010, 27.09.2010, 08.10.2010, 12.11.2010, 02.12.2010, 14.12.2010, 14.01.2011 and 12.02.2011

Name	Category	No. of Board Meetings attended during 2010-11	Whether attended AGM held on 27th September 2010	No. of Directorships in other public companies* as on 31.03.2011		No. of Committee positions held in other public companies** as on 31.03.2011	
				Chairman	Member	Chairman	Member
Mr. Babulal Hirani (Managing Director)	Executive Professional	16	Yes	0	6	1	1
Mr. Aftabahmed Kadri	Independent Non Executive	16	Yes	0	6	1	1
Mr. Ismail Memon (Appointed w.e.f. 31.07.2011)	Promoter Non Executive	4	Yes	0	5	0	0

Mr. Arif Memon (Resigned w.e.f. 14.01.2011)	Promoter Non Executive	5	Yes	0	3	1	1
Mr. Haji Umar Sheikh (Resigned w.e.f. 19.07.2010)	Independent Non Executive	3	N.A.	0	0	0	0
Mr. Ravi Prakash Thakur (Resigned w.e.f. 31.07.2010)	Professional Non Executive	5	N.A.	0	0	0	0

* Excludes Directorships in foreign companies, private companies and Section 25 companies. *Represents Chairmanships/Memberships of Audit Committee and Shareholders'/Investors' Grievance Committee.

3. AUDIT COMMITTEE:

c) Brief Description of Terms of Reference:

The scope of activities of the Audit Committee is as set out in Clause 49 of the Listing Agreement with the Stock Exchanges, read with Section 292A of the Companies Act, 1956.

Terms of reference of Audit Committee are given hereunder:

- i. To oversee the Company's financial reporting process and disclosures of its financial information;
- ii. To review financial statements and pre-publication announcements before submission to the Board;
- iii. To recommend the appointment of Statutory Auditors and fixation of their remuneration, to review and discuss with the auditors about internal control system, the scope of audit, including observations, Listing Agreement, related party transactions;
- iv. To review the Company's Risk Management policies and discussion with auditors any significant findings and follow up thereon.

d) Composition of Committee:

Mr. Aftabahmed Kadri, Chairman of the Audit Committee was present at the Annual General Meeting held on 27th September, 2010.

Five Audit Committee meetings were held during 2010-2011. The dates on which the said meetings were held are 30.04.2010, 31.07.2010, 20.08.2010, 12.11.2010 and 12.02.2011.

The composition of the Audit Committee as on 31st March, 2011 and details of meetings attended are given below:

NAMES	CATEGORY	NO. OF COMMITTEE MEETINGS HELD	NO.OF COMMITTEE MEETINGS ATTENDED
Mr. Aftabahmed Kadri	Chairman	5	5
*Mr. Ismail Memon	Member	5	2
Mr. Babulal Hirani	Member	5	5

*w.e.f. 31st July, 2010

NOTE:

Mr. Dhaval Bhatt has been appointed as an Additional Director of the Company w.e.f. 13th May, 2011. The Audit Committee was reconstituted on 13th May, 2011 as Mr. Aftabahmed Kadri (Chairman), Mr. Ismail Memon (Member) and Mr. Dhaval Bhatt (Member).

4. REMUNERATION COMMITTEE:

a) Terms of Reference:

The Remuneration Committee has been constituted to recommend and review remuneration package of Executive Directors with reference to performance, experience and expertise.

b) Composition of the Committee:

The Composition of the Committee and details of Meetings held on 05.04.2010 and 31.07.2010 as attended by the Directors are given below:

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

*w.e.f. 31st July, 2010

The non-mandatory requirement of Clause 49 regarding Remuneration Committee has been complied with by the Company as stated above.

NOTE:

Mr. Dhaval Bhatt has been appointed as an Additional Director of the Company w.e.f. 13th May, 2011. The Audit Committee was reconstituted on 13th May, 2011 as Mr. Aftabahmed Kadri (Chairman), Mr. Ismail Memon (Member) and Mr. Dhaval Bhatt (Member).

c) Remuneration Policy:

The Board while deciding the remuneration package of Executive Directors takes into consideration the employment scenario and remuneration package of the industry. All fees and/or commission, if any, paid to non-executive directors is fixed by the Board of Directors, after receiving necessary approval from the shareholders in general meeting.

d) Details of Remuneration to all the Directors:

Mr. Babulal Jethalal Hirani, Managing Director, is drawing Remuneration of Rs.10,000/- per month.

5. SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE:

During the year under review, no meeting of the Share Transfer and Investors' Grievance Committee was held.

The composition of the Share Transfer and Investors' Grievance Committee is as under:

NAMES	CATEGORY	NO. OF COMMITTEE MEETINGS HELD	NO. OF COMMITTEE MEETINGS ATTENDED
*Mr. Ismail Memon	Chairman	NIL	NIL
Mr. Aftabahmed Kadri	Member	NIL	NIL
Mr. Babulal Hirani	Member	NIL	NIL

*w.e.f. 31st July, 2010

Mr. Babulal Jethalal Hirani is the Compliance Officer of KGN Enterprise Limited.

The Committee meets periodically to approve all the cases of shares demoted, transfer, issue of duplicate share certificates and resolution of investors' complaints, submission of information to various statutory authorities like NSDL/CDSL, SEBI, Stock Exchanges, 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 Company's shares were not traded on the stock exchanges of Ahmedabad and Vadodara during the year.

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

6. GENERAL BODY MEETINGS:

a) Details of last three Annual General Meetings held:

Financial Year	Location	Date	Day	Time	Type of Meeting	Special Resolutions passed
2009-2010	401, Shrinivas Building, 382-384, Narshi Natha Street, Katha Bazar, Mumbai – 400 009.	27.09.2010	Monday	11:00 a.m.	AGM	3
2008-2009	Block: 315, 316/1, 318, Village: Hariyala Kheda: 387 411.	29.09.2009	Tuesday	11:00 a.m.	AGM	1

2007-2008	16/121, Jalaram Apartment, Gujarat Housing Board, Opp. Police Line Akota Road, Vadodara.	19.09.2008	Friday	11:00 a.m.	AGM	2
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b) Postal Ballot:

No Special Resolution was passed through postal ballot during the Financial Year 2010-2011. In the ensuing Annual General Meeting, there is no business requiring Postal Ballot.

7. DISCLOSURES:

During the financial year 2010-11, 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.

8. MEANS OF COMMUNICATION:

The Company's quarterly, half yearly and yearly results are published in the Newspapers Free Press Journal and Nav Shakti and the same are being submitted to the Vadodara Stock Exchange Ltd. and Ahmedabad Stock Exchange Ltd., where the shares of the Company are listed. During the year ended 31st March, 2011, no presentations were made to institutional investors or analysts.

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement entered into with the Vadodara Stock Exchange Ltd. and the Ahmedabad Stock Exchange Ltd. The Company has made an application to the Bombay Stock Exchange Ltd. for listing of ordinary shares.

CEO / CFO CERTIFICATION:

The Chief Executive Officer (CEO) and the Chief Financial 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.

9. MANAGEMENT DISCUSSION & ANALYSIS REPORT:

The MD&A Report forms part of the Annual Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.

10. GENERAL SHAREHOLDER INFORMATION:

a) 17TH ANNUAL GENERAL MEETING:

DATE : 29TH SEPTEMBER, 2011

DAY : THURSDAY

TIME : 11 A.M.

VENUE :23, VASWANI MANSION, 4TH FLOOR, DINSHAW VACCHA ROAD, CHURCHGATE, MUMBAI – 400 020

b) FINANCIAL YEAR: 1ST April, 2010 to 31ST March, 2011.

c) **BOOK CLOSURE DATE:** 23rd September, 2011 to 29th September, 2011

d) **DIVIDEND PAYMENT DATE:** Not Applicable

e) **LISTING ON STOCK EXCHANGES:**

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

1. Ahmedabad Stock Exchange Limited
2. Vadodara Stock Exchange Limited

The Company has also made an application to the Bombay Stock Exchange Ltd. for listing of ordinary shares.

f) **STOCK CODE:**

Ahmedabad Stock Exchange Limited	012981
Vadodara Stock Exchange Limited	000201

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

INE 755B01019

g) **MARKET PRICE DATA:**

There is no trading of any securities at the Ahmedabad Stock Exchange Ltd. and the Vadodara Stock Exchange Ltd. Hence, no market price data can be provided.

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

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

Link Intime India Pvt. Ltd. (formerly Intime Spectrum Registry Ltd.)
211, Sudarshan Complex, Near Mithakhali Under Bridge,
Navrangpura, Ahmedabad - 380 009.
Telefax: 079-26465179.
Email: ahmedabad@linkintime.co.in

i) **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.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2011:

SR. NO.	RANGE OF HOLDING	NO. OF SHARE HOLDERS	NO. OF SHARES	SHARES AMOUNT	% TO CAPITAL
1	Upto 5000	1949	2124700	21247000	10.37957987
2	5001 to 10000	154	1339500	13395000	6.543722521
3	10001 to 20000	102	1530000	15300000	7.474352711
4	20001 to 30000	41	1065000	10650000	5.202735711
5	30001 to 40000	13	484500	4845000	2.366878359
6	40001 to 50000	27	1331500	13315000	6.504640938
7	50001 to 100000	17	1240000	12400000	6.057645335
8	Above 100000	5	11354800	113548000	55.47044455
TOTAL		2,308	20470000	204700000	100

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2011:

SR. NO.	CATEGORY	NO. OF SHARES	PERCENTAGE
1	Indian Public	9248200	45.18%
2	NRI's / OCBs	NIL	NIL
3	Mutual Funds and UTI	NIL	NIL
4	Banks, Financial Institutions and Insurance Companies (Central Institutions)	NIL	NIL
5	Corporate Bodies	70000	0.34
6	Indian Promoters	11151800	54.48%
7	Forfeiture of Shares	NIL	NIL
TOTAL		20470000	100%

DEMATERIALIZATION OF SHARES AND LIQUIDITY:

Shares held in Physical form	:	6836700 Shares
Electronic form with NSDL	:	12275800 Shares
Electronic form with CDSL	:	1357500 Shares

a) ADDRESS FOR CORRESPONDENCE:**REGISTERED OFFICE:**

23, Vaswani Mansion, 4th floor,
Dinshaw Vaccha Road, Churchgate,
Mumbai – 400 020.
info@kgnenterprises.com

PLANT LOCATION

Block No. 315/1, 318,
Kheda Dholka Highway, Nr. Gandhipura,
Hariyala Kheda,
Gujarat.

BY ORDER OF THE BOARD OF DIRECTORS**KGN ENTERPRISE LIMITED****Sd/-****(Ismail Memon)**

Chairman

Date : 25/08/2011**Place : Mumbai**

KGN ENTERPRISES LIMITED

DECLARATION

I, Ismail Memon, Chairman of KGN Enterprises Limited, hereby declare that all the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct applicable to them, as laid down by the Board of Directors in terms of Clause 49(I)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended 31st March, 2011.

For **KGN ENTERPRISES LIMITED**

Sd/-

(Ismail Memon)
Chairman

Place: Mumbai

Date: 25th August, 2011

CERTIFICATE

To

The Members of **KGN Enterprises Limited**,
Maharashtra.

We have read the Report of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by the KGN Enterprises Limited for the year ended 31st March, 2010, 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.
F.R.No. 132282W
CHARTERED ACCOUNTANTS

Sd/-

PROPRIETOR
M. No. 38047

Place: Mumbai

Date: 25th August, 2011

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY:

We, Shri Ismail Memon, Chairman and Shri Aftab Ahmed Kadri, Chairman of the Audit Committee of KGN Enterprises 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 materially 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 existing accounting standards, applicable laws and regulations.
- b. There are, to the 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 polices 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 affirm that we have not denied any personal access to the Audit committee of the Company.
- f. We further declare that all Board Members and Senior Management have affirmed compliance with the Code of Conduct for the current year.

Sd/-

Sd/-

Date : 25th August,2011

(Ismail Memon)

(Aftab Ahmed Kadri)

Place : Mumbai

Chairman

Director & Chairman Audit Committee

AUDITORS' REPORT

To,
The Members of
KGN ENTERPRISES LIMITED

We have audited the attached Balance Sheet of **KGN Enterprises Limited** as at **31st March, 2011** and the Profit and Loss account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments on the annexure referred to above, we report that:

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;

In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the those books;

The Balance Sheet and the Profit & Loss Account dealt by this report are in agreement with the books of accounts;

In our opinion, the Balance Sheet and the Profit & Loss Account dealt by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

On the basis of written representation received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanation given to us, the said accounts, give the information required by the companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011; and

ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.

iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For, Kirit & Company
F. R. No. 132282W
Chartered Accountants
Sd/-

Proprietor
M. No. 038047

Date : 25th August 2011
Place : Mumbai

KGN ENTERPRISES LIMITED

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 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 are not affected.
2. (a) The Inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The Company has granted loans, secured or unsecured to companies, firms or other parties in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount granted during the year and yearend balance of loan to such parties were as per under details given bellow. The terms and conditions and rate of interest of the aforesaid loans granted are prima-facie not prejudicial to the interest of the company.

Sr. No.	Name of The Party	Relation With The Company	Maximum Outstanding (Amount In ₹)	Closing Balance As on 31/03/2011 (Amount In ₹)
1.	KGN Bio Tech Limited	100 % Subsidiary	1,46,,39,000/-	1,46,,39,000/-
2.	KGN Oil & Gas Pvt. Ltd.	Subsidiary	45,00,000/-	45,00,000/-
3.	Shabnam Arif Memon	Promoter	10,00,000/-	10,00,000/-

(b) The Company has taken loans, secured or unsecured from companies ,firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount granted during the year and yearend balance of loan to such parties were as per under details given bellow. The terms and conditions and rate of interest of the aforesaid loans granted are prima-facie not prejudicial to the interest of the company.

Sr. No.	Name of The Party	Relation With The Company	Maximum Outstanding (Amount In ₹)	Closing Balance As on 31/03/2011 (Amount In ₹ `)
1.	KGN Industries Limited	Associate	23,23,07,500/-	20,86,07,500/-

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with a size of a company and the nature of its business, for purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered in to the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted deposits from the public, within the meaning of sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of business.
8. We are informed that the company is not required to maintain cost record as prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956 having regard to the nature of the business of the Company.
9. (a) According to the information and explanations 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 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 explanations given to us, no undisputed amounts payables in respect of income tax, sales tax, wealth tax, service tax, customs duty and excise duty were in arrears, as at 31st March, 2011 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, customs 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 it has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to 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. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
13. The company is not a chit fund, nidhi, mutual benefit fund or society. Therefore, the provisions of clause 4(xiii) are not applicable to the company.
14. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments. Therefore the provision of clause 4(xiv) are not applicable to the company.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. As per the records of the company and as per the information and explanations given to us, the company has not taken any term loan during the year.
17. On the basis of overall examination of the balance sheet of the company, the funds raised on short-term basis have not been used for long-term investment and vice-a-versa, during the year.
18. The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year.
19. The company has not issued any debentures during the year.
20. The company has not raised any money by public issue during the year.
21. During the year, no fraud on or by the company has been noticed or reported during the course of our audit.

For, Kirit & Company
Chartered Accountants
F.R.No. 132282W
Sd/-
Proprietor
M. No. 38047
Date : 25th August, 2011
Place : Mumbai

KGN ENTERPRISES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in ₹.)

	Schedule	31.03.2011	31.03.2010
SOURCES OF FUNDS:			
(1) Shareholders' Funds			
(a) Share Capital	1	209700000	204700000
(b) Reserves & Surplus	2	184563756	171826280
(2) Loan Funds			
(a) Secured Loans		0	0
(a) Unsecured Loans	3	208607500	219296920
(3) Deferred Tax Liability		3218067	3218067
TOTAL		606089323	599041267
APPLICATION OF FUNDS:			
(1) Fixed Assets	4		
Gross Block		670971545	601231655
Less: Depreciation		126618412	126945678
Net Block		544353133	474285977
(2) Investment	5	1655000	578973
(3) Current Assets, Loans & Advances			
(a) Stock in trade	6	1479924	18082188
(b) Sundry Debtors	7	0	0
(c) Cash & Bank Balances	8	12246209	83855347
(d) Loans & Advances	9	47369803	29788943
(e) Deposite		7958165	2275665
		69054101	134002143
Less:			
Current Liabilities & Provisions (b)	10	8972911	9825826
Net Current Assets		60081190	124176317
TOTAL		606089323	599041267
Significant Accounting Policies & Notes to Accounts	17		

Schedules referred to above form an integral part of the financial statements

As per our attached report of even date

For, Kirit & Company

F. R. No. 132282W

Chartered Accountants

Sd/-

Proprietor

M. No. 38047

Date : 25th August, 2011

Place : Mumbai

For, and on behalf of the Board of Directors

Sd/-

Chairman

Date : 25th August, 2011

Place : Mumbai

Sd/-

Director

KGN ENTERPRISES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

(Amount in ₹.)

	Schedule	2010-2011	2009-2010
INCOME			
Sales		95585975	1732471891
Other Income	11	768688	17647734
TOTAL		96354663	1750119625
EXPENDITURE			
Cost of Goods Sold	12	67465078	1667878941
Bank and Financial Charges	13	141060	484179
Employee Emoluments	14	3488940	4713620
Direct Expenses	15	2412888	5117945
Administrative & Selling Expenses	16	7509221	21787768
Depreciation	4	0	22579475
TOTAL		81017187	1722561928
Profit/Loss Before Tax		15337476	27557697
Provision For Taxation			
Less: Provision for Income Tax		2600000	5212700
Add: Reversal of Deferred Tax		0	-2347727
Profit After Tax		12737476	24692724
Balance brought forward		44168162	20669262
Amount available for Appropriations		56905638	45361986
APPROPRIATIONS			
Transfer to General Reserves		0	0
Proposed Dividend		0	1023500
Tax on Dividend		0	173900
Balance carried forward to Balance Sheet		56905638	44164585
Basic and Diluted Earnings Per Share		0.62	1.21
Significant Accounting Policies & Notes to Accounts	17		

Schedules referred to above form an integral part of the financial statements

As per our attached report of even date

For, Kirit & Company

F. R. No. 132282W

Chartered Accountants

Sd/-

Proprietor

M. No. 38047

Date : 25th August, 2011

Place: Mumbai

For, and on behalf of the Board of Directors

Sd/-

Chairman

Sd/-

Director

Date : 25th August, 2011

Place: Mumbai

KGN ENTERPRISES LIMITED**SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AND
PROFIT & LOSS ACCOUNTS AT 31ST MARCH, 2011****(Amount in ₹.)**

	AS AT	AS AT
	31.03.2011	31.03.2010
SCHEDULE : 1 SHARE CAPITAL:		
AUTHORISED		
21200000 Equity Shares of Rs 10/- Each (Previous Year 21200000 Equity Shares of Rs 10/- Each)	212000000	210000000
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
20470000 Equity Shares of Rs.10/- Each (Previous Year 20470000 Equity Shares of Rs 10/- Each)	204700000	204700000
PREFERENCE SHARES		
500000 Preference Shares @ RS.10/- Each (8% Non Cumulative Redeemable Preference Shares)	5000000	0
TOTAL	209700000	204700000
SCHEDULE : 2 RESERVES & SURPLUS :		
Capital Reserve	62400000	62400000
Reserve & Surplus	0	0
Share Premium	91800000	91800000
Share Forfeiture A/c.	150000	150000
Profit & Loss Account Balance	56905638	44168162
Balance of Profit & Loss A/c of SATIL Division	-26691882	-26691882
TOTAL	184563756	171826280
SCHEDULE : 3 UNSECURED LOANS :		
KGN Industries Limited	208607500	219296920
TOTAL	208607500	219296920

KGN ENTERPRISE LIMITED

SCHEDULE - 4		FIXED ASSETS				(Amount in ₹.)					
SR	PARTICULARS	OP BAL	ADDITION	Written Off	TOTAL	DEPRECIATION FUND			NET ASSETS		
NO		AS ON	DURING	/SOLD	AS ON	AS ON	DURING	DEDUCTION	AS ON	AS ON	AS ON
		01-04-2010	THE YEAR		31-03-2011	01-04-2010	THE YEAR		31-03-2011	31-03-2011	31-03-2010
1	@NX418 Decanter	20,34,250	-	-	20,34,250	-	-	-	-	20,34,250	20,34,250
2	Air Condition	11,90,703	64,900	-	12,55,603	6,23,900	-	-	6,23,900	6,31,703	5,66,803
3	Computers & Printers	3,67,291	4,650	-	3,71,941	95,414	-	-	95,414	2,76,527	2,71,877
4	C C Tv Camera	-	36,205	-	36,205	-	-	-	-	36,205	-
5	Electric Fittings	5,20,334	18,79,490	757	23,99,067	2,27,318	-	-	2,27,318	21,71,749	2,93,016
6	Free Hold Land & Building	2,66,04,136	-	-	2,66,04,136	-	-	-	-	2,66,04,136	2,66,04,136
7	Building	17,36,94,660	-	-	17,36,94,660	3,23,62,135	-	-	3,23,62,135	14,13,32,525	14,13,32,525
8	Furniture & Fixture	51,05,803	11,56,492	-	62,62,295	23,21,647	-	-	23,21,647	39,40,648	27,84,156
9	Ikon Car	4,30,990	-	4,30,990	-	3,27,266	-	(3,27,266)	-	-	1,03,724
10	Misc.- Equipment	80,284	96,519	-	1,76,803	36,975	-	-	36,975	1,39,828	43,309
11	Laboratory Equipments	-	2,83,912	-	2,83,912	-	-	-	-	2,83,912	-
12	Plant & Machinery	33,92,14,912	-	-	33,92,14,912	9,03,09,659	-	-	9,03,09,659	24,89,05,253	24,89,05,253
13	Mixture Machine	9,297	-	-	9,297	4,298	-	-	4,298	4,999	4,999
14	Tractor	5,72,054	-	-	5,72,054	1,85,460	-	-	1,85,460	3,86,594	3,86,594
15	Mobile Phone	1,02,816	30,600	-	1,33,416	19,042	-	-	19,042	1,14,374	83,774
16	Opel Car A/c.	5,66,337	-	-	5,66,337	4,30,042	-	-	4,30,042	1,36,295	1,36,295
17	Refrigrator	5,479	-	-	5,479	2,522	-	-	2,522	2,957	2,957
		55,04,99,346	35,52,768	4,31,747	55,36,20,367	12,69,45,678	-	(3,27,266)	12,66,18,412	42,70,01,955	42,35,53,668
18	Work in Progress	5,07,32,309	6,75,45,052	9,26,183	11,73,51,178	-	-	-	-	11,73,51,178	5,07,32,309
	Current Year	60,12,31,655	7,10,97,820	13,57,930	67,09,71,545	12,69,45,678	-	(3,27,266)	12,66,18,412	54,43,53,133	47,42,85,977
	Previous Year	55,77,14,319	1,93,63,530	-	57,70,77,849	9,20,92,352	2,53,32,178	-	11,74,24,530	45,96,53,266	

KGN ENTERPRISES LIMITEDSCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AND
PROFIT & LOSS ACCOUNTS AT 31ST MARCH, 2011

(Amount in ₹.)

	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE : 5 INVESTMENTS :		
Quoted		
Clio infote	0	7347
Natcho Pharma	0	102132
National Saving Certificates	55000	15000
Shah Alloys	0	42500
Shri Adhikari	0	127290
Today Writ	0	284704
KGN Bio-Tech Limited	500000	0
KGN Green Limited	500000	0
KGN Oil & Gas Private Limited	100000	0
KGN Proteins Limited	500000	0
TOTAL	1655000	578973
SCHEDULE : 6 INVENTORIES :		
Raw Material	0	15417672
Fuel	1256013	1237563
Finished Goods	0	0
Packing Material	223911	1426953
TOTAL	1479924	18082188
SCHEDULE : 7 SUNDRY DEBTORS :		
(Unsecured, Considered Good)		
(a) More than Six Months	0	0
(b) Others	0	0
	0	0
SCHEDULE : 8 CASH & BANK BALANCES :		
Cash on Hand	118479	16601
Balance With Scheduled Banks :		
In Current Accounts	12127730	76288747
In Fixed Deposits	0	7550000
TOTAL	12246209	83855348
SCHEDULE : 9 LOANS & ADVANCES :		
(Unsecured, Considered Good)		
Advance recoverable in cash or in kind or for value to be received	47328506	29173676
Deposits	0	0
Balance With Government Authorities	41297	615267
TOTAL	47369803	29788943

KGN ENTERPRISES LIMITED**SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AND
PROFIT & LOSS ACCOUNTS AT 31ST MARCH, 2011****(Amount in ₹.)**

	AS AT	AS AT
	31.03.2011	31.03.2010
SCHEDULE : 10 CURRENT LIABILITIES & PROVISIONS :		
Current Liabilities :		
Sundry Creditors		
For Goods (Due to SSI NIL)	0	23320
For Expenses	408302	1180718
For Others	436003	1897833
Provisions:		
Provision For Taxation (F.Y. 2000-2001)	13275	13275
Provision For Taxation (F.Y. 2001-2002)	5065	5065
Provision For Taxation (F.Y. 2002-2003)	64012	64012
Provision For Taxation (F.Y. 2003-2004)	34398	34398
Provision For Taxation (F.Y. 2009-10)	5212700	5212700
Provision For Taxation (F.Y. 2010-11)	2600000	0
Provision For Audit Fees	81000	45000
Dividend Tax Payable	0	173900
Proposed Dividend	0	1023500
Professional Tax	0	4740
TDS Payable	118156	147365
TOTAL	8972911	9825826

KGN ENTERPRISES LIMITEDSCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AND
PROFIT & LOSS ACCOUNTS AT 31ST MARCH, 2011

(Amount in ₹.)

	AS AT	AS AT
	31.03.2011	31.03.2010
SCHEDULE : 11 OTHER INCOME :		
Govt credit of MGVCL	382512	0
Sale of Wastage Wood and Cement Bags	225266	0
Dividend Income	0	1413
Interest Income	30615	10864596
Other Income	130295	4412576
Miscellaneous Income	0	2369149
TOTAL	768688	17647734
SCHEDULE : 12 COST OF GOODS SOLD :		
Opening Stock	18082188	407188267
Add : Purchase of Goods	50862814	1278772862
	68945002	1685961129
Less : Closing Stock	1479924	18082188
TOTAL	67465078	1667878941
SCHEDULE : 13 BANK AND FINANCIAL CHARGES :		
Bank Charges	141060	392624
Letter of Credit Charges	0	21555
Agency Charges	0	70000
TOTAL	141060	484179
SCHEDULE : 14 EMPLOYEE EMOLUMENTS :		
Salary, Wages, Bonus etc	3451156	4713620
Staff Welfare Expenses	37784	0
TOTAL	3488940	4713620
SCHEDULE : 15 DIRECT EXPENSES		
Brokerage Expenses	78383	100282
Diesel Expenses	8605	17838
Factory Expense	370856	70001
Laboratory Expenses	2500	19222
Loading & Unloading Charges	106976	464309
Market Cess Fees A/c	151150	135000
Power & Fuel Expenses	1694418	3383901
Repair & Maintenance of Oil Mill	0	266478
Plant Expenses	0	388766
Freight Inward Expenses	0	272148
TOTAL	2412888	5117945

KGN ENTERPRISES LIMITED**SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AND
PROFIT & LOSS ACCOUNTS AT 31ST MARCH, 2011****(Amount in ₹.)**

	AS AT	AS AT
	31.03.2011	31.03.2010
SCHEDULE : 16 ADMINISTRATIVE & SELLING EXPENSES :		
Advertisement Expenses	16817	16005
Annual Custody Fees	244448	0
Audit Fees Expenses	90000	50000
Bad Debts Written off	1326605	0
Books & Periodicals	2400	3757
Computer Expenses	12720	28080
Conectivity Charges	0	33236
Conveyance Expenses	31400	27421
Donation Expenses	87600	92632
Expenses Written Off	109544	0
Electric Expenses	179803	38955
GPCB Water Testing Fees	5000	0
Hotel Club & Hospitality Expenses	0	20004
Insurance Expenses	11062	33931
Interest Expenses	0	17392
Kasar & Vatav	1163	4348
Legal & Professional Fees	1566451	2829576
License Fees	117675	0
Listing Fees	260521	69888
Loss on Asset	392839	14424661
Miscellaneous Expenses	133745	142608
Office Expenses	293094	625672
Oil Mill Expenses	0	18311
Petrol Expenses	215726	114013
Providend Fund Expenses	148298	0
Postage & Curior Expenses	46363	12970
Printing & Stationary Expenses	144087	110228
Registraton Fees Expenses	93873	632551
Rent, Rate & Taxes Expenses	118950	376358
Repaire & Maintenance Expenses	1060	84236
ROC Expenses	31500	11150
Security Expenses	395000	384500
Stamping Expenses	2100	2595
Telephone Expenses	153350	106290
Transportation Expenses	631955	897920
Travelling Expenses	537504	491220
Web Designing Expenses	45043	87261
Vehicle Expenses	61525	0
TOTAL	7509221	21787768

SCHEDULE '17' NOTES FORMING PART OF THE ACCOUNTS SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Preparation of Financial Statements and Revenue Recognition:

- i) The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- ii) Financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.
- iii) Sales are recognized at the point of dispatch of goods, at the agreed rates. Adjustments arising out of price variation claims are accounted on acceptance of claims by customers. Export benefits are accounted in the year of exports
- iv) Revenue from services is recognized on completed contract method.
- v) Revenue is recognized only when its reliability is reasonably certain.

b. Fixed Assets:

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

c. Depreciation:

During the current year, there is no certain excepted trading in the seed, no Depreciation provided in the books of accounts.

d. Investments:

Current investments are carried at the lower of cost or quoted/ fair value, computed (category wise). Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if; such a decline is other than temporary, in the opinion of the management.

e. Valuation of Inventories:

- i) Raw Materials are valued at cost.
- ii) Materials in process are valued at manufacturing cost and finished goods are valued at total cost.
- iii) Stores and spare parts have been consistently written off as and when purchased.
- iv) Goods in transit are stated at actual cost to the date of Balance Sheet.
- vi) Stores/Spares/ Packing Material is valued at cost

f. Employee retirement benefits:

Company's contribution to Gratuity, Superannuating Fund and Leave Encashment are accounted on accrual basis. Gratuity and leave encashment provided on the basis of actuarial valuation made at the end of accounting year.

g. Provision for Taxation:

Provision for taxation is computed as per total income returnable under the relevant Tax Laws.

h. Earnings per share:

The company calculates and discloses Earning per shares in accordance with the provisions of Accounting Standard (AS) 20 “Earning per share “ issued by the Institute of Chartered Accountant of India.

i. General Accounting Policies:

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

j. Taxes on Income:

Taxes on Income comprises of Current Taxes and Deferred Tax in accordance with Accounting Standard (AS) 20 “Accounting for Taxes on Income” issued by the Institute of Chartered Accountant of India. Deferred tax resulting from “timing differences” between and accounting income is accounted for using the tax rates and laws that are enacted as on the balance sheet date. The Deferred Tax Asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future. Deferred Tax is shown at net of DTL & DTA.

NOTES TO THE ACCOUNTS:

- 1) Contingent Liabilities not provided for is ₹ Nil.
- 2) All debit and credit balance and accounts squared up during the year are subject to confirmation from respective parties.
- 3) Figures in Balance Sheet have been regrouped and rearranged wherever necessary to make them comparative with current year’s figures.
- 4) Figures in Balance Sheet are rounded off to the nearest of the Rupees.
- 5) Balances of receivables, payables and loans and advances parties are subject to confirmations. These balances are therefore, subject to adjustments, if any, as may be required on settlement of these balances with the parties.
- 6) Profit and Loss Account includes Auditors’ Remuneration as under :

Particulars	2010-11 Amount (in ₹.)	2009-10 Amount (in ₹.)
Fees For Audit Work	50000	20000
Fees For Tax Audit/Taxation work	30000	20000
Fees For Certification/Others	10000	10000
Total	<u>90000</u>	<u>50000</u>

7) Related Party Disclosures :

Name of the Related Parties :

Holding Company

Nil

Subsidiary Companies

1. KGN Bio-Tech Limited
2. KGN Green Limited

3. KGN Proteins Limited

4. KGN Oil & Gas Pvt. Ltd.

Joint Venture Company

Nil

Enterprise having Significant influence

Nil

Fellow Subsidiaries

Nil

Key Managerial Personnel/Relatives
Of Key Managerial Personnel

Mr. Ismail G. Memon
Mr. Babulal J Hirani
Mr Aftabahmed Isamiya Qadri
Mr Dhaval Bhatt

Enterprise over which relatives of key
Managerial Personnel having significant
Influence

Nil

- 8) The Earning per share, computed as per requirement under Accounting Standard-20 on Earning per Share, Issued by the Institute of Chartered Accountants of India as under :

(Amount in ₹)

Particulars	2010-2011	2009-2010
Net Profit after Tax	12737476	24692724
Weighted Average Nos. of Shares	20470000	20470000
Basic Earnings per Share on nominal value of ` 10/- per share (Previous Year 20470000 Equity Shares of ` 10/- Each)	0.62	1.21

- 9) Information pursuant to provisions of para 3,4c & 4d of part II of schedule VI to the Companies Act, 1956.

a) Purchase, Sales and Stocks :

i) Castor Oil (FSG), Castor Oil Refined and Castor Seeds.

	2010-11		2009-10	
	Quantity (In Tonnes)	Amount (In Lacs)	Quantity (In Tonnes)	Amount (In Lacs)
Opening stocks				
Castor Oil (FSG)	Nil	Nil	Nil	Nil
Castor Oil Refined	Nil	Nil	Nil	Nil
Castor Seeds	529.46	154.16	Nil	Nil
Purchases				
Castor Oil (FSG)	Nil	Nil	28183.91	14366.97
Castor Oil Refined	Nil	Nil	22120.11	12623.84
Castor Seeds	1740.11	503.12	529.46	154.16
Sales				
Castor Oil (FSG)	Nil	Nil	28183.91	15859.63
Castor Oil Refined	Nil	Nil	22120.11	11660.94
Castor Seeds	2269.57	919.80	Nil	Nil
Closing Stock				
Castor Oil (FSG)	Nil	Nil	Nil	Nil
Castor Oil Refined	Nil	Nil	Nil	Nil
Castor Seeds	Nil	Nil	529.46	154.16

KGN ENTERPRISES LIMITED

Part - IV of Schedule VI of The Companies Act, 1956
Balance Sheet, Abstract and Company's General Business Profile

I. Registration Details

Registration No. 04/22271/94-95 State Code 11
Balance Sheet date 31 03 2011

II. Capital Raised During The Year (Amt. ₹ .in Thousands)

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III. Position of Mobilisation and deployment of funds (Amt. ₹ .in Thousands)

Total Liabilities	Total Assets
615062	615062
Sources of Funds	
Paid up Capital	Reserve & Surplus
209700	184564
Unsecured Loans	Other Liabilities
208608	3218
Application of Funds	
Net Fixed Assets	Investments
544353	1655
Net Current Assets	Misc. Expenditure
60081	0
Accumulated Losses	
NIL	

IV. Performance of Company (Amt. ₹ in Thousands)

Turnover	Total Expenditure
96355	81017
+ - Profit /loss before tax	Profit /loss after tax
+ 15337	12737
(Please tick appropriate box + for Profit - for Loss)	
Earning Per Share in Rs.	Dividend Rate %
0.62	0

V. Generic Names of Principal Products/Services of Company. (As per Monetary terms)

Item Code No. N.A.
(ITC Code)
Product Manufacturing
Description

As per our report of even date

For, Kirit & Company
F. R. No. 132282W
Chartered Accountants

For, and on behalf of the Board of Directors

Sd/-
Proprietor
M. No. 38047

Sd/-
Chairman

Sd/-
Director

Date : 25th August, 2011
Place : Mumbai

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies:

Name of the Subsidiary	KGN Bio-Tech Limited	KGN Green Limited	KGN Proteins Limited	KGN Oil & Gas Pvt. Ltd.
Subsidiary financial year ended on	31/03/2011	31/03/2011	31/03/2011	31/03/2011
Holding Company's Interest	50000 equity shares of face value of Rs.10/-	50000 equity shares of face value of Rs.10/-	50000 equity shares of face value of Rs.10/-	10000 equity shares of face value of Rs.10/-
Extent of share holding interest (in %)	100	100	100	100.00
Net aggregate amount of subsidiaries Profit/ (Loss) not dealt within the holding company's accounts :				
(i) For the financial Year of the subsidiaries	(10274)	(5500)	(5500)	(11595)
(ii) For the Previous Year	N.A.	N.A.	N.A.	N.A.
Net aggregate amount of subsidiaries Profit/ (Loss) dealt within the holding company's accounts :				
(i) For the financial Year of the subsidiaries	NIL	NIL	NIL	NIL
(ii) For the Previous Year	N.A.	N.A.	N.A.	N.A.
Material changes between the end of the Financial Year of the Subsidiary & the Holding Company's Financial year	N.A.	N.A.	N.A.	N.A.

KGN ENTERPRISES LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

Particulars	(Amount in ₹.)	
	31-Mar-11	31-Mar-10
A CASH FLOW FROM OPERATING ACTIVITIES :		
Profit Before Tax	15337476	27557697
Adjustment For :		
Depreciation	-327266	22579475
Interest and Dividend Income	(30615)	(10866009)
Loss on asset written off	392839	14424661
Operating Profit Before Working Capital Changes		
Adjustment For :		
(Increase)/Decrease in Inventories	16602264	(18082188)
(Increase)/Decrease in Sundry Debtors	0	423645493
(Increase)/Decrease in Loans & Advances	(17580860)	281376234
(Increase)/Decrease in Deposit	(5682500)	(2273665)
Increase/(Decrease) in Current Liabilities	(2255515)	(513628993)
Cash Generated From Operation	6455823	224732705
Direct Taxes Paid	0	449798
Net Cash From Operating Activities (A)	6455823	224282907
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(71097820)	(480979957)
Sale of Fixed Assets/ Investments	965090	0
Long Term Investment Purchased	(1076027)	(15000)
Interest & Dividend Income	30615	10866009
Net Cash Used in Investing Activities (B)	-71178142	-470128948
C CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds From Long Term Borrowings	0	219296920
Repayment of Long Term Borrowings	(10689420)	0
Equity Shares	5000000	0
Dividend Paid	(1023500)	(1023500)
Corporate Dividend Tax	(173900)	(173900)
Net Cash Used in Financing Activities (C)	-6886820	218099520
Net Reserve & Surplus Transfer from SATIL (Note) (D)	0	35711695
NET (DECREASE)/INCREASE IN CASH & CASH EQUIVALENTS (A+B+C+D)	-71609139	7965174
Cash & Cash Equivalents at the beginning of the year	83855348	75890174
Cash & Cash Equivalents at the end of the year	12246209	83855348
	-71609139	7965174

Note :
As per the Sanctioned Scheme by the Board of Industrial and Financial Reconstruction (BIFR) vide their order dated 26th March, 2010 , all the assets and liabilities of Sailani Agro- Tech Industries Limited are transferred to and recorded in the books of the KGN Enterprises Limited at their book values

As per our attached report of even date

For, Kirit & Company**F. R. No. 132282W****Chartered Accountants****Sd/-****Proprietor****M. No. 38047****Date : 25th August, 2011****Place : Mumbai****For, and on behalf of the Board of Directors****Sd/-****Chairman****Sd/-****Director****Date : 25th August, 2011****Place : Mumbai**

AUDITORS' REPORT

**To,
The Board of Directors of
KGN ENTERPRISES LIMITED
On the Consolidated Financial Statements**

We have audited the attached consolidated Balance Sheet of KGN Enterprises Limited ("the Company") and its subsidiaries; hereinafter referred to as the "Group" (refer note 1(b) on schedule 17 to the attached consolidated financial statements) as at 31st March, 2011 and the consolidated Profit and Loss account, consolidated cash flow of the Company for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statement have been prepared by the Company's Management in accordance with the requirement of Accounting Standard (AS) 21 consolidated financial statements.

Based on our audit and on consolidated of reports of the auditor on separate financial statements and other financial information of the component of the Group, as refer to above, and to the best of our information and according to the explanation given to us, subject to our remark in 4 above in our opinion, the attached consolidated financial statements give true and fair view in conformity with the accounting principles generally accepted in India.

- I. In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011; and
- II. In the case of the Consolidated Profit and Loss Account, of the Profit of the Group for the year ended on that date
- III. In the case of consolidated cash flow statement, of the cash flows of the group for the year ended on that date.

**For, Kirit & Company
F. R. No. 132282W
Chartered Accountants
Sd/-
Proprietor
M. No. 38047**

Date : 25th August, 2011
Place: Mumbai

KGN Enterprises limited Annual Report 2010-2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

(Amount in ₹.)

	Schedule	2010-2011	2009-2010
INCOME			
Sales		95585975	1732471891
Other Income	12	769162	17647734
TOTAL		96355137	1750119625
EXPENDITURE			
Cost of Goods Sold	13	67465078	1667878941
Bank and Financial Charges	14	145655	484179
Employee Emoluments	15	3488940	4713620
Direct Expenses	16	2412888	5117945
Administrative & Selling Expenses	17	7537969	21787768
Depreciation	4	0	22579475
TOTAL		81050530	1722561928
Profit/Loss Before Tax		15304607	27557697
Provision For Taxation			
Less: Provision for Income Tax		2600000	5212700
Add: Reversal of Deferred Tax		0	-2347727
Profit After Tax		12704607	24692724
Balance brought forward		44168162	20669262
Amount available for Appropriations		56872769	45361986
APPROPRIATIONS			
Transfer to General Reserves		0	0
Proposed Dividend		0	1023500
Tax on Dividend		0	173900
Balance carried forward to Balance Sheet		56872769	44164585
Basic and Diluted Earnings Per Share		0.62	1.21
Significant Accounting Policies & Notes to Accounts	18		

Schedules referred to above form an integral part of the financial statements

As per our attached report of even date

For, Kirit & Company
F. R. No. 132282W
Chartered Accountants

For, and on behalf of the Board of Directors

Sd/-
Proprietor
M. No. 38047

Sd/-
Chairman

Sd/-
Director

Date : 25th August, 2011
Place : Mumbai

Date : 25th August, 2011
Place : Mumbai

KGN Enterprises limited Annual Report 2010-2011
CONSOLIDATED SCHEDULE ANNEXED TO AND FORMING PART OF
BALANCE SHEET AND PROFIT & LOSS ACCOUNTS AT 31ST MARCH, 2011

(Amount in ₹.)

	AS AT	AS AT
	31.03.2011	31.03.2010
SCHEDULE : 1 SHARE CAPITAL:		
AUTHORISED		
21200000 Equity Shares of Rs 10/- Each (Previous Year 21200000 Equity Shares of Rs 10/- Each)	212000000	210000000
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
20470000 Equity Shares of Rs.10/- Each	204700000	204700000
PREFERENCE SHARES		
500000 Preference Shares @ RS.10/- Each (8% Non Cumulative Redeemable Preference Shares)	5000000	0
TOTAL	209700000	204700000
SCHEDULE : 2 RESERVES & SURPLUS :		
Capital Reserve	62400000	62400000
Reserve & Surplus	0	0
Share Premium	91800000	91800000
Share Forfeiture A/c.	150000	150000
Profit & Loss Account Balance	56872769	44168162
Balance of Profit & Loss A/c of SATIL Division	-26691882	-26691882
TOTAL	184530887	171826280
SCHEDULE : 3 UNSECURED LOANS :		
Intercorporate Loan	208607500	219296920
Loan From Directors & Relatives	10000	0
TOTAL	208617500	219296920

KGN ENTERPRISE LIMITED ANNUAL REPORT 2010-2011

SCHEDULE - 4		CONSOLIDATED FIXED ASSETS						(Amount in ₹.)			
SR NO	PARTICULARS	OP BAL AS ON 01-04-2010	ADDITION DURING THE YEAR	Written Off /SOLD	TOTAL AS ON 31-03-2011	AS ON 01-04-2010	DEPRECIATION FUND DURING THE YEAR	DEDUCTION	AS ON 31-03-2011	NET ASSETS AS ON 31-03-2011	
1	@NX418 Decanter	20,34,250	-	-	20,34,250	-	-	-	-	20,34,250	20,34,250
2	Air Condition	11,90,703	64,900	-	12,55,603	6,23,900	-	-	6,23,900	6,31,703	5,66,803
3	Computers & Printers	3,67,291	4,650	-	3,71,941	95,414	-	-	95,414	2,76,527	2,71,877
4	C C Tv Camera	-	36,205	-	36,205	-	-	-	-	36,205	-
5	Electric Fittings	5,20,334	18,79,490	757	23,99,067	2,27,318	-	-	2,27,318	21,71,749	2,93,016
6	Free Hold Land & Building	2,66,04,136	-	-	2,66,04,136	-	-	-	-	2,66,04,136	2,66,04,136
7	Building	17,36,94,660	-	-	17,36,94,660	3,23,62,135	-	-	3,23,62,135	14,13,32,525	14,13,32,525
8	Furniture & Fixture	51,05,803	11,56,492	-	62,62,295	23,21,647	-	-	23,21,647	39,40,648	27,84,156
9	Ikon Car	4,30,990	-	4,30,990	-	3,27,266	-	(3,27,266)	-	-	1,03,724
10	Misc.- Equipment	80,284	96,519	-	1,76,803	36,975	-	-	36,975	1,39,828	43,309
11	Laboratory Equipments	-	2,83,912	-	2,83,912	-	-	-	-	2,83,912	-
12	Plant & Machinery	33,92,14,912	-	-	33,92,14,912	9,03,09,659	-	-	9,03,09,659	24,89,05,253	24,89,05,253
13	Mixture Machine	9,297	-	-	9,297	4,298	-	-	4,298	4,999	4,999
14	Tractor	5,72,054	-	-	5,72,054	1,85,460	-	-	1,85,460	3,86,594	3,86,594
15	Mobile Phone	1,02,816	30,600	-	1,33,416	19,042	-	-	19,042	1,14,374	83,774
16	Opel Car A/c.	5,66,337	-	-	5,66,337	4,30,042	-	-	4,30,042	1,36,295	1,36,295
17	Refrigrator	5,479	-	-	5,479	2,522	-	-	2,522	2,957	2,957
		55,04,99,346	35,52,768	4,31,747	55,36,20,367	12,69,45,678	-	(3,27,266)	12,66,18,412	42,70,01,955	42,35,53,668
18	Work in Progress	5,07,32,309	7,00,13,163	9,26,183	11,98,19,289	-	-	-	-	11,98,19,289	5,07,32,309
	Current Year	60,12,31,655	7,35,65,931	13,57,930	67,34,39,656	12,69,45,678	-	(3,27,266)	12,66,18,412	54,68,21,244	47,42,85,977
	Previuos Year	55,77,14,319	1,93,63,530	-	57,70,77,849	9,20,92,352	2,53,32,178	-	11,74,24,530	45,96,53,266	

KGN ENTERPRISES LIMITED Annual Report 2010-2011

 CONSOLIDATED SCHEDULE ANNEXED TO AND FORMING
 PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in ₹)

	31-Mar-11	31-Mar-10
SCHEDULE : 5 INVESTMENTS :		
Quoted	0	0
Clio Infote	0	7347
Natcho Pharma	55000	102132
Nationla Saving Certificates	0	15000
Shah Alloys	0	42500
Shrii Adhikari	0	127290
Today Writt	0	284704
TOTAL	55000	578973
SCHEDULE : 6 INVENTORIES:		
Raw Materials	0	15417672
Fuel	1256013	1237563
Finished Goods	0	0
Packing Material	223911	1426953
TOTAL	1479924	18082188
SCHEDULE : 7 SUNDRY DEBTORS :		
(Unsecured, Considered Good)		
(a) More than Six Months	0	0
(b) Other Receivables	0	0
TOTAL	0	0
SCHEDULE : 8 CASH & BANK BALANCES :		
Cash on Hand	328407	16601
Balance With Scheduled Banks :		
In Current Accounts	14290872	76288747
In Fixed Deposit Accounts	0	7550000
TOTAL	14619279	83855348
SCHEDULE : 9 LOANS & ADVANCES :		
(Unsecured, Considered Good)		
Advance recoverable in cash or in kind or for value to be received	39549893	29173676
Deposits	11068165	2275665
Balance With Government Authorities	41297	615267
TOTAL	50659355	32064608
SCHEDULE : 10 CURRENT LIABILITIES & PROVISIONS :		
Current Liabilities :		
Sundry Creditors		
For Goods (Due to SSI NIL)	0	23320
For Expenses	408302	4480718
For Others	464710	1897833
Provisions:		
Provision For Taxation	7929450	5329450
Provision For Audit Fees	103000	45000
Dividend Tax Payable	0	173900
Proposed Dividend	0	1023500
Professional Tax	0	4740
TDS Payable	159834	147365
TOTAL	9065296	9825826

KGN ENTERPRISES LIMITED Annual Report 2010-2011CONSOLIDATED SCHEDULE ANNEXED TO AND FORMING
PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in ₹)

	AS AT 31-Mar-11	AS AT 31-Mar-10
SCHEDULE : 11 MISCELLANEOUS EXPENDITURE :		
(To the extent not written off or adjusted)		
Preliminary Expenses	1496948	0
Less : Written off during the year	0	0
TOTAL	1496948	0
SCHEDULE : 12 OTHER INCOME :		
Govt. Credit of MGVCL	382512	0
Sale of Wastage Wood and Cement Bags	225266	0
Dividend Income	0	1413
Interest Income	30615	10864596
Other Income	130769	4412576
Miscellaneous Income	0	2369149
TOTAL	769162	17647734
SCHEDULE : 13 COST OF GOODS SOLD :		
Opening Stock	18082188	402188267
Add : Purchase of Goods	50862814	1278772862
	68945002	1685961129
Less : Closing Stock	1479924	18082188
TOTAL	67465078	1667878941
SCHEDULE : 14 BANK AND FINANCIAL CHARGES :		
Bank Charges	145655	392624
Letter of Credit Charges	0	21555
Agency Charges	0	70000
TOTAL	145655	484179
SCHEDULE : 15 EMPLOYEE EMOLUMENTS :		
Salary, Wages, Bonus etc	3451156	4713620
Staff Welfare Expenses	37784	0
TOTAL	3488940	4713620
SCHEDULE : 16 DIRECT EXPENSES		
Brokerage Expenses	78383	100282
Diesel Expenses	8605	17838
Factory Expense	370856	70001
Laboratory Expenses	2500	19222
Loading & Unloading Charges	106976	464309
Market Cess Fees A/c	151150	135000
Power & Fuel Expenses	1694418	3383901
Repair & Maintenance of Oil Mill	0	266478
Plant Expenses	0	388766
Freight Inward Expenses	0	272148
TOTAL	2412888	5117945

KGN ENTERPRISES LIMITED Annual Report 2010-2011CONSOLIDATED SCHEDULE ANNEXED TO AND FORMING
PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	AS AT 31-Mar-11	AS AT 31-Mar-10
SCHEDULE : 17 ADMINISTRATIVE & SELLING EXPENSES :		
Advertisement Expenses	16817	16005
Annual Custody Fees	244448	0
Audit Fees Expenses	112000	50000
Bad Debts Written off	1326605	0
Books & Periodicals	2400	3757
Computer Expenses	12720	28080
Conectivity Charges	0	33236
Conveyance Expenses	32241	27421
Donation Expenses	87600	92632
Expenses Written Off	109544	0
Electric Expenses	179803	38955
GPCB Water Testing Fees	5000	0
Hotel Club & Hospitality Expenses	1053	20004
Insurance Expenses	11062	33931
Interest Expenses	0	17392
Kasar & VataV	1163	4348
Legal & Professional Fees	1566451	2829576
License Fees	117675	0
Listing Fees	260521	69888
Loss on Asset	392839	14424661
Miscellaneous Expenses	134243	142608
Office Expenses	297183	625672
Oil Mill Expenses	0	18311
Petrol Expense	215726	114013
Providend Fund Expenses	148298	0
Postage & Curior Expenses	46363	12970
Printing & Stationary Expenses	144087	110228
Registraton Fees Expenses	93873	632551
Rent, Rate & Taxes Expenses	118950	376358
Repaire & Maintenance Expenses	1060	84236
ROC Expenses	31500	11150
Security Expenses	395000	384500
Stamping Expenses	2100	2595
Telephone Expenses	153617	106290
Transportation Expenses	631955	897920
Travelling Expenses	537504	491220
Web Designing Expenses	45043	87261
Vehicle Expenses	61525	0
Total	7537969	21787768

SCHEDULE '18' NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Consolidation:

The Consolidated financial statements comprises of the financial statements of KGN Enterprises Limited (the Holding Company) and its subsidiaries. The Consolidated financial statements are prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements"

- (i) The financial statements of the Holding Company and its Subsidiary Companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances, intra-group transactions and unrealized profit or losses thereon have been fully eliminated.
- (ii) The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Holding Company.
- (ii) The excess value of the consideration given over the net value of the identifiable assets acquired in one of the subsidiary company is recognised as "Goodwill" and is not being amortised.

b. The subsidiary companies considered in the consolidated financial statements are:

Subsidiaries	Country of Incorporation	% of Voting Power as at 31 st March 2011{Including Beneficial Interest}
KGN Bio-Tech Limited	India	100%
KGN Green Limited	India	100%
KGN Proteins Limited	India	100%
KGN Oil & Gas Pvt. Ltd.	India	100%

c. Principal Accounting Policies

The Consolidated Financial Statements have been prepared in accordance with applicable Accounting Standards in India. A summary of important accounting policies are set out below.

d. Basis of Accounting

The Consolidated Financial Statements have been prepared under the historical cost convention.

e. Fixed Assets:

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

f. Depreciation:

During the current year, there is no certain excepted trading in the seed, no Depreciation provided in the books of accounts.

g. Investments:

Current investments are carried at the lower of cost or quoted/ fair value, computed (category wise). Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if; such a decline is other than temporary, in the opinion of the management.

h. Valuation of Inventories:

I. Raw Materials are valued at cost.

II. Materials in process are valued at manufacturing cost and finished goods are valued at total cost.

III. Stores and spare parts have been consistently written off as and when purchased.

IV. Goods in transit are stated at actual cost to the date of Balance Sheet.

V. Stores/Spares/ Packing Material is valued at cost

i. Employee retirement benefits:

Company's contribution to Gratuity, Superannuating Fund and Leave Encashment are accounted on accrual basis. Gratuity and leave encashment provided on the basis of actuarial valuation made at the end of accounting year.

j. Provision for Taxation:

Provision for taxation is computed as per total income returnable under the relevant Tax Laws.

k. Earnings per share:

The company calculates and discloses Earning per shares in accordance with the provisions of Accounting Standard (AS) 20 "Earning per share" issued by the Institute of Chartered Accountant of India.

l. General Accounting Policies:

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

m. Taxes on Income:

Taxes on Income comprises of Current Taxes and Deferred Tax in accordance with Accounting Standard (AS) 20 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountant of India. Deferred tax resulting from "timing differences" between and accounting income is accounted for using the tax rates and laws that are enacted as on the balance sheet date. The Deferred Tax Asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future. Deferred Tax is shown at net of DTL & DTA.

NOTES TO THE ACCOUNTS:

1) Contingent Liabilities not provided for is ₹ Nil.

2) All debit and credit balance and accounts squared up during the year are subject to confirmation from respective parties.

3)Figures in consolidated Balance Sheet have been regrouped and rearranged wherever necessary to make them comparative with current year's figures.

4)Figures in consolidated Balance Sheet are rounded off to the nearest of the Rupees.

5)Balances of receivables, payables and loans and advances parties are subject to confirmations. These balances are therefore, subject to adjustments, if any, as may be required on settlement of these balances with the parties.

6)Related Party Disclosures :

a) Name of the Related Parties :

Ultimate Holding Company	Nil
Joint Venture Company	Nil
Enterprise having Significant influence	Nil
Fellow Subsidiaries	Nil
Key Managerial Personnel/Relatives	Mr. Ismail G. Memon
Of Key Managerial Personnel	Mr. Babulal J Hirani Mr Aftabahmed Isamiya Qadri Mr Dhaval Bhatt
Enterprise over which relatives of key Managerial Personnel having significant Influence	Nil

7)The Earning per share, computed as per requirement under Accounting Standard-20 on Earning per Share, Issued by the Institute of Chartered Accountants of India as under :

Particulars	2010-11	2009-10
Net Profit after Tax (Amount in ₹`)	12704607	24692724
Weighted Average Nos. of Shares	20470000	20470000
Basic Earnings per Share on nominal value of ₹ 10/- per share (Previous Year 20470000 Equity Shares of ₹ 10/- Each)	0.62	1.21

8)Information pursuant to provisions of para 3,4c & 4d of part II of schedule VI to the Companies Act,1956.

a) Purchase, Sales and Stocks :

Castor Oil (FSG), Castor Oil Refined And Castor Seeds.

	2010-11		2009-10	
	Quantity (In Tonnes)	Amount (In Lacs)	Quantity (In Tonnes)	Amount (In Lacs)
Opening stocks				
Castor Oil (FSG)	Nil	Nil	Nil	Nil
Castor Oil Refined	Nil	Nil	Nil	Nil
Castor Seeds	529.46	154.16	Nil	Nil
Purchases				
Castor Oil (FSG)	Nil	Nil	28183.91	14366.97
Castor Oil Refined	Nil	Nil	22120.11	12623.84
Castor Seeds	1740.11	503.12	529.46	154.16

Sales

Castor Oil (FSG)	Nil	Nil	28183.91	15859.63
Castor Oil Refined	Nil	Nil	22120.11	11660.94
Castor Seeds	2269.57	919.80	Nil	Nil

Closing Stock

Castor Oil (FSG)	Nil	Nil	Nil	Nil
Castor Oil Refined	Nil	Nil	Nil	Nil
Castor Seeds	Nil	Nil	529.46	154.16

a) Value of imported and indigenous goods traded :

	2010-11	Amount (in ₹.) 2009-10
Imported	Nil	Nil
Indigenous	<u>Nil</u>	<u>Nil</u>
Total	<u>Nil</u>	<u>Nil</u>

b) CIF Value of Imports :

Capital Goods	Nil	₹. 3.53 crore
Stores and Spares	Nil	Nil

c) Expenditure in Foreign Currency :

Foreign Travel	Nil	Nil
Commission	Nil	Nil
Others	Nil	Nil

d) Earnings in foreign Currency :

FOB value of Exports.	Nil	Nil
-----------------------	-----	-----

As Per Our Report of Even Date

For, Kirit & Company
F. R. No. 132282W
Chartered Accountants

For, and on behalf of the Board of Directors

Sd/-
Proprietor
M. No. 38047

Sd/-
Chairman

Sd/-
Director

Date : 25th August,2011
Place : Mumbai

Date : 25th August,2011
Place : Mumbai

KGN Enterprises limited Annual Report 2010-2011

Part - IV of Schedule VI of The Companies Act, 1956
Balance Sheet, Abstract and Company's General Business Profile

I. Registration Details

Registration No. 04/22271/94-95 State Code 11

Balance Sheet date 31 03 2011

II. Capital Raised During The Year (Amt. ₹ .in Thousands)

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III. Position of Mobilisation and deployment of funds (Amt. ₹ .in Thousands)

Total Liabilities	Total Assets
615132	615132
Sources of Funds	
Paid up Capital	Reserve & Surplus
209700	184531
Unsecured Loans	Other Liabilities
208618	3218
Application of Funds	
Net Fixed Assets	Investments
546821	55
Net Current Assets	Misc. Expenditure
57693	0
Accumulated Losses	
NIL	

IV. Performance of Company (Amt. ₹ in Thousands)

Turnover	Total Expenditure
96355	81051
+ - Profit /loss before tax	Profit /loss after tax
+ 15305	12705
(Please tick appropriate box + for Profit - for Loss)	
Earning Per Share in Rs.	Dividend Rate %
0.62	0.00

V. Generic Names of Principal Products/Services of Company. (As per Monetary terms)

Item Code No. N.A.
(ITC Code)

Product Manufacturing
Description

As per our report of even date

For, Kirit & Company
F. R. No. 132282W
Chartered Accountants

For, and on behalf of the Board of Directors

Sd/-
Proprietor
M. No. 38047

Sd/-
Chairman

Sd/-
Director

Date : 25th August, 2011
Place : Mumbai

Details of Subsidiary Companies for the year ended 31st March 2011:

(₹ in Thousand)

	Name of the Subsidiary	KGN Bio- Tech Limited	KGN Green Limited	KGN Proteins Limited	KGN Oil & Gas Private Limited
	Financial Year ends on	31 st March 2011	31 st March 2011	31 st March 2011	31 st March 2011
a)	Share Capital	500.00	500.00	500.00	100.00
b)	Reserves	(10.27)	(5.50)	(5.50)	(11.60)
c)	Total Assets	15145.16	467.24	470.35	3228.82
d)	Preliminary Expenses	58.19	33.60	30.09	1375.08
e)	Total Liabilities	14713.62	6.33	5.94	4515.50
f)	Details of Investments	0.00	0.00	0.00	0.00
	i) Investment in Equity shares	0.00	0.00	0.00	0.00
	ii) Others	0.00	0.00	0.00	0.00
g)	Turnover	(10.27)	(5.50)	(5.50)	(11.60)
h)	Profit before Taxation	0.00	0.00	0.00	0.00
i)	Provision for Taxation	(10.27)	(5.50)	(5.50)	(11.60)
j)	Profit After Taxation	0.00	0.00	0.00	0.00
k)	Proposed Dividend				

Sd/-
Chairman

Sd/-
Director

Mumbai
Dated : 25th August, 2011

KGN Enterprises limited Annual Report 2010-2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	(Amount in ₹.)	
	31-Mar-11	31-Mar-10
A CASH FLOW FROM OPERATING ACTIVITIES :		
Profit Before Tax	15304607	27557697
Adjustment For :		
Depreciation	-327266	22579475
Preliminary Expenses Written Off	0	0
Interest and Dividend Income	(30615)	(10866009)
Loss on asset written off	392839	14424661
Operating Profit Before Working Capital Changes		
Adjustment For :		
(Increase)/Decrease in Inventories	16602264	(18082188)
(Increase)/Decrease in Sundry Debtors	0	423645493
(Increase)/Decrease in Loans & Advances	(9802247)	281376234
(Increase)/Decrease in Deposit	(8792500)	(2273665)
(Increase)/Decrease in Misc. Exp Not Written Off	(1496948)	0
Increase/(Decrease) in Current Liabilities	(2163130)	(513628993)
Cash Generated From Operation	9687004	224732705
Direct Taxes Paid	0	449798
Net Cash From Operating Activities (A)	9687004	224282907
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(73565931)	(480979957)
Sale of Fixed Assets	965090	0
Sale of Investments	523973	0
Long Term Investment Purchased	0	(15000)
Interest & Dividend Income	30615	10866009
Other Investing Activities	0	0
Net Cash Used in Investing Activities (B)	-72046253	-470128948
C CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds From Long Term Borrowings	0	219296920
Repayment of Long Term Borrowings	(10679420)	0
Equity Shares	5000000	0
Dividend Paid	(1023500)	(1023500)
Corporate Dividend Tax	(173900)	(173900)
Net Cash Used in Financing Activities (C)	-6876820	218099520
Net Reserve & Surplus Transfer from SATIL (Note) (D)	0	35711695
NET (DECREASE)/INCREASE IN CASH & CASH EQUIVALENTS (A+B+C+D)	-69236069	7965174
Cash & Cash Equivalents at the beginning of the year	83855348	75890174
Cash & Cash Equivalents at the end of the year	14619279	83855348
	-69236069	7965174

Note :

As per the Sanctioned Scheme by the Board of Industrial and Financial Reconstruction (BIFR) vide their order dated 26th March, 2010, all the assets and liabilities of Sailani Agro- Tech Industries Limited are transferred to and recorded in the books of the KGN Enterprises Limited at their book values

This is the Consolidate Cash Flow Statement referred to in our report of even date

As per our attached report of even date

For, Kirit & Company

F. R. No. 132282W

Chartered Accountants

Sd/-

Proprietor

M. No. 38047

Date : 25th August, 2011

Place : Mumbai

For, and on behalf of the Board of Directors

Sd/-

Chairman

Sd/-

Director

Date : 25th August, 2011

Place : Mumbai

KGN ENTERPRISES LIMITED

Registered Office: 23, Vaswani Mansion, 4th Floor, Dinshaw Vaccha Road,
Churchgate, Mumbai-400 020.

ATTENDANCE SLIP

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

Folio NO.: _____

DP/Client ID No.: _____

No of Shares Held.: _____

I/We _____ hereby record my/our presence at the 17th Annual General Meeting of the Company held on Thursday, 29th day of September, 2011 at 11.00 a.m. at Time , 23, Vaswani Mansion, 4th Floor, Dinshaw Vaccha Road, Churchgate, Mumbai-400 020.

Signature of the Member / Proxy

(To be signed at the time of handing over this slip)

KGN ENTERPRISES LIMITED

Registered Office 23, Vaswani Mansion, 4th Floor, Dinshaw Vaccha Road,
Churchgate, Mumbai-400 020.

PROXY FORM

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

Folio NO.: _____

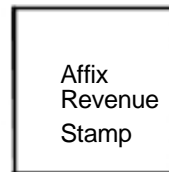
DP/Client ID No.: _____

No of Shares Held.: _____

I/We _____ of _____ being member(s) of KGN Enterprises Limited, hereby appoint _____ of _____ or failing him/her, _____ of _____ as my/our proxy to attend and vote for me/ us on my/ our behalf at the 17th Annual General Meeting of the Company held on Thursday, 29th day of September, 2011 at 11.00 a.m. at, 23, Vaswani Mansion, 4th Floor, Dinshaw Vaccha Road, Churchgate, Mumbai- 400 020. and at any adjournment thereof.

Signed this _____ day of _____ 2011.

Signature _____



Notes:

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

BOOK POST

If undelivered, please return to:

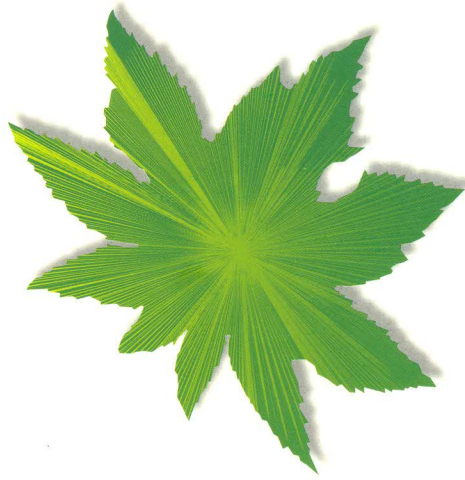
KGN ENTERPRISES LIMITED

Regd. Office:

**23, Vaswani Mansion, 4th Floor,
Dinshaw vaccha Road,
opp. K.C.College,
Churchgate, 400 020.**

Factory:

**Block No. 315/1, 318,
Kheda Dholka Highway,
Nr. Gandhipura,
Hariyala Kheda,
Gujarat**



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