



**N.K.
Industries Ltd**

FORM B

(Clause 31(a) of the Listing Agreement)

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	N K INDUSTRIES LIMITED
2.	Annual Financial Statement for the year ended	31 st March, 2013
3.	Type of Audit Qualification	Qualified
4.	Frequency of qualification	<ul style="list-style-type: none"> 1. Repetitive in respect of observation 'A' as stated in item no. 5 below from the financial year ended on 31st March, 2001 2. Appeared for the first time in respect of observation 'B' as stated in item no. 5 below 3. Repetitive in respect of observation 'C' as stated in item no. 5 below from the financial year ended on 31st March, 2001 4. Appeared for the first time in respect of observation 'D' as stated in item no. 5 below 5. Repetitive in respect of observation 'E' as stated in item no. 5 below from the financial year ended on 31st March, 2001 6. Appeared for the first time in respect of observation 'F' as stated in item no. 5 below 7. Appeared for the first time in respect of observation 'G' as stated in item no. 5 below
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the director's report:	<p>Observation:-</p> <p>A. Regarding the accounts of the Company prepared on going concern basis.</p> <p>Refer note no 25(i) of the financial statement and management response at point no. 1. Under the head "Auditors And Auditors' Report" at page no.6 of the Annual Report.</p>

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popular House, Ashram Road,
Ahmedabad - 380 009.
India.

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Fax : 91-79-26589214
E-mail : nkil@icenet.co.in

Plant : 745, Kadi-Thor Road,
Kadi - 382 715. Dist. Mehsana(N.G.)
Tele : (02764) 242613, 263884
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Email : nkilkadi@yahoo.co.in

CIN No. : L91110GJ1987PLC009905



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		<p>B. Regarding buying and selling of goods on NSEL through trading and clearing member, N K Proteins Limited and regarding trading loss made on transactions with NSEL.</p> <p>Refer Note no. 25(O) of the financial statement and management response at point no.2 Under the head "Auditors And Auditors' Report" at page no.6 of the Annual Report.</p>
		<p>C. Regarding balances of trade creditors, trade debtors, advances and loans that are subject to confirmation</p> <p>Refer Note no. 25K and 25L of the financial statement and management response at point no.3 Under the head "Auditors And Auditors' Report" at page no.6 of the Annual Report.</p>
		<p>D. Regarding non-provision of sales tax liabilities of Rs.5423.55 lacs.</p> <p>Refer Note no. 25A of the financial statement and management response at point no.4 Under the head "Auditors And Auditors' Report" at page no.6 of the Annual Report.</p>
		<p>E. Regarding non-provision of interest receivable on advances made, as the same is considered as doubtful.</p> <p>Refer Note no. 25(g) of the financial statement and management response at point no.5 Under the head "Auditors And Auditors' Report" at page no.6 of the Annual Report.</p>
		<p>F. Regarding impact of rehabilitation scheme by operating agency appointed by BIFR.</p> <p>Refer Note no. 25(d) of the financial statement and management response at point no.6 Under the head "Auditors And Auditors' Report" at page no.7 of the Annual Report.</p>

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		G. Regarding prior period adjustment of Rs.104.54 crore Refer Note No. 25(m) of the financial statement and management response at point no.7 Under the head "Auditors And Auditors' Report" at page no.7 of the Annual Report.
6.	Additional comments from the board/audit committee chair:	N.A
7.	To be signed by:-	
	• CEO/Managing Director	 (Nilesh K. Patel)
	• CFO	N.A
	• Audit Committee Chairman	 (Jayesh D. Thakkar)
	• Auditor of the Company	

*This as per the SEBI circular no.CIR/CFD/DIL/7/2012 dated 13th August, 2012

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N. K. Industries Limited

25th Annual Report
F. Y. 2012 - 13

REGISTERED OFFICE : 7th Floor, Popular House
Ashram Road, Ahmedabad - 380 009.



N. K. Industries Limited

N. K. INDUSTRIES LIMITED

25TH ANNUAL REPORT 2012-2013

BOARD OF DIRECTORS: Nimishbhai K. Patel Chairman & Managing Director

Nilesh K. Patel Managing Director

Ashwinbhai P. Patel Whole-Time Director

Jayeshkumar D. Thakkar Director

Ashok B. Patel Additional Director
(w.e.f. 13th March, 2013)

Hasmukh K. Patel Additional Director
(w.e.f. 1st June, 2013)

AUDITORS: M/s Rajiv Shah & Associates
Chartered Accountants,
Ahmedabad

REGISTERED OFFICE: 7th Floor, Popular House,
Ashram Road,
Ahmedabad - 380 009

FACTORY: Thor Road,
Kadi Village-382 715
District: Mehsana,
Gujarat

BANKERS: Bank Of Baroda
State Bank Of India
HDFC Bank Limited

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NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the members of N. K. Industries Limited will be held on Wednesday, the 30th day of October, 2013, at 4.00 p.m. at the registered office of the Company at 7th Floor, Popular House, Ashram Road, Ahmedabad-380 009 to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Statement for the year ended on that date together with all annexure and attachment thereto including the Auditor's report and the Directors' Report thereon.
2. To appoint Mr. Ashwin P. Patel as a Director, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration. The retiring Auditors M/s Rajiv Shah & Associates, Chartered Accountants, Ahmedabad are eligible for reappointment.

SPECIAL BUSINESS:

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

"RESOLVED THAT in view of Company's accumulated loss of Rs. 42836.03Lacs, having exceeded its net worth of Rs.3254.59Lacs as per duly audited annual accounts for the year 2012-13, the Company continues as a sick industrial undertaking within the meaning of Section 3 (1) of The Sick Industrial Companies (Special Provisions) Act, 1985.

RESOLVED FURTHER THAT another reference be made to the Board for Industrial and Financial Reconstruction under Section 15 of The Sick Industrial Companies (Special Provisions) Act 1985, for determination of measures which shall be adopted with respect to the Company and that Mr. Nimish K. Patel, Chairman & Managing Director and/or Mr. Nilesh K. Patel, Managing Director and/or Mr. Ashvin P. Patel, Whole Time Director and/or any one of the Directors of the Company be and is/are hereby jointly or severally authorised to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to this resolution."

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

"RESOLVED THAT in accordance with provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, the approval of the Company be and is hereby granted for the re-appointment of Shri Nimish K. Patel as a Managing Director of the Company without any remuneration for a further period of 5 years w.e.f. 1st April, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the re-appointment in such a manner as may be agreed to between the Board of Directors and Shri Nimish K Patel and in conformity with the requirements of Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modification that may hereafter be made thereto.

RESOLVED FURTHER THAT the terms and conditions of re-appointment as specified in the Explanatory Statement be altered, enhanced, widened or varied by the Board of Directors in accordance with the relevant provisions of the Companies Act, 1956 for the payment of managerial remuneration if any paid during the tenure of the Managing Director without the matter being referred to the Company in General Meeting again.



N. K. Industries Limited

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution."

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

"RESOLVED THAT in accordance with provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, the approval of the Company be and is hereby granted for the re-appointment of Shri Nilesh K. Patel as a Managing Director of the Company without any remuneration for a further period of 5 years w.e.f. 1st April, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the re-appointment in such a manner as may be agreed to between the Board of Directors and Shri Nilesh K Patel and in conformity with the requirements of Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modification that may be hereafter be made thereto.

RESOLVED FURTHER THAT the terms and conditions of re-appointment as specified in the Explanatory Statement be altered, enhanced, widened or varied by the Board of Directors in accordance with the relevant provisions of the Companies Act, 1956 for the payment of managerial remuneration if any paid during the tenure of the Managing Director without the matter being referred to the Company in General Meeting again.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution."

7. *To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:*

"RESOLVED THAT Mr. Ashokbhai B. Patel, be and is hereby appointed as a Director of the Company."

8. *To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:*

"RESOLVED THAT Mr. Hasmukhbhai K. Patel, be and is hereby appointed as a Director of the Company."

By Order of the Board of Directors

sd/-

Date: 30th September, 2013

Nimish K. Patel

Place: Ahmedabad

Chairman & Managing Director

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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IN THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Share Transfer Books and Register of Members of the Company will remain closed from Monday, 28th October 2013 to Wednesday, 30th October, 2013, both days inclusive.
3. Members are advised to avail nomination facility as well as Dematerialization facility with the Company.

4. EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

In respect of Item No. 4:

The Company's net worth continues to be negative in view of losses accumulated at Rs. 42836.03 Lacs as at the end of the year ended 31st March 2013, and it is therefore necessary to make another reference to BIFR under provisions of Sick Industrial Companies (Special Provisions) Act, 1985.

It is therefore proposed to make another reference to BIFR and authorise Board of Directors for the purpose and it is expedient that members pass the resolution proposed as an Ordinary Resolution.

None of the Directors are concerned or interested in the Resolution.

In respect of Item No. 5 & 6:

The Shareholders may recall that they have reappointed Shri Nimish K. Patel and Shri Nilesh K. Patel as Managing Directors in their 20th Annual General Meeting held on 30-09-2008 for a further period of 5 years w.e.f. 01-04-2008.

The term of Shri Nimish K. Patel and Shri Nilesh K. Patel as Managing Directors had come to an end on 31st March, 2013. The Board of Directors at its meetings held on 30th March, 2013 reappointed them as Managing Directors for a further period of 5 years w.e.f. 01-04-2013.

In view of negative effective capital, no remuneration is proposed to be paid to Shri Nimish K. Patel and Shri Nilesh K. Patel for their services pursuant to such re-appointment as Managing Director/s of the Company.

The Board of Directors are at liberty to alter and vary the terms and conditions of the re-appointment in such a manner as may be agreed to between the Board of Directors and Shri Nimish K Patel & Shri Nilesh K Patel and in conformity with the requirements of Companies Act, 1956 including any statutory modification or re-enactment thereof.

As per the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company by an Ordinary Resolution is necessary for holding office as Managing Directors of the Company without remuneration.

The terms and conditions mentioned in the above explanatory statement may be treated as abstract of the terms of proposed contract under Section 302 of the Companies Act, 1956.

None of the Directors except Shri Nimish K. Patel and Shri Nilesh K. Patel are interested in this Resolution since it relates to their reappointment as Managing Directors of the Company.

All documents connected with these matters are open for inspection by the members of the Company during normal business hours on all working days



N. K. Industries Limited

In respect of Item No. 7:

Shri Ashok B. Patel was appointed as an Additional Director of the Company at the Board meeting held on 13th March, 2013 to broad base the Board of Directors of the Company.

As per section 257 of the Companies Act, 1956, a special notice has been received from one of the shareholders of the Company proposing name of Shri Ashok B. Patel as Director of the Company liable to retire by rotation.

Shri Ashok B. Patel was born on 20th October, 1956. Shri Ashok B. Patel is well educated person and possesses very wide experience in the various fields. He is not director or member of any committee in any other company.

It would be in the interest of the Company to appoint Shri Ashok B. Patel as Director of the Company.

The Board therefore recommends this resolution to be passed by way of Ordinary resolution.

Except, Shri Ashok B. Patel, no other director is interested in this resolution as per applicable provisions of the Companies Act, 1956.

In respect of Item No. 8:

Shri Hasmukhbhai K. Patel was appointed as an Additional Director of the Company w.e.f. 1st June, 2013 at the Board meeting held on 29th May, 2013 to broad base the Board of Directors of the Company.

As per section 257 of the Companies Act, 1956, a special notice has been received from one of the shareholders of the Company proposing name of Shri Hasmukhbhai K. Patel as Director of the Company liable to retire by rotation.

Shri Hasmukhbhai K. Patel was born on 14th December, 1954. Shri Hasmukhbhai K. Patel is well educated person and possesses very wide experience in the various fields. He is not director or member of any committee in any other company.

It would be in the interest of the Company to appoint Shri Hasmukhbhai K. Patel as Director of the Company.

The Board therefore recommends this resolution to be passed by way of Ordinary resolution.

Except, Shri Hasmukhbhai K. Patel, no other director is interested in this resolution as per applicable provisions of the Companies Act, 1956.

By Order of the Board of Directors

sd/-

Date: 30th September, 2013

Nimish K. Patel

Place: Ahmedabad

Chairman & Managing Director

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors present their 25th Report together with Audited Statements of Accounts of the Company for the year ended on 31st March, 2013.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	2012-13	2011-12
Export Sales	Nil	Nil
Domestic Sales of Product & Other Income	44098.25	106830.60
Total Income	44098.25	106830.60
Profit/(Loss) before Tax & Depreciation	(17748.45)	(7758.42)
Deduct: Depreciation	2424.66	203.39
Less: Transfer from Revaluation Reserves	(2052.30)	-
Profit/(Loss) before Tax	(18121.20)	(7961.81)
(Add)/ Less: Exceptional Items	268.03	-
Profit/(Loss) before prior period items and tax	(17853.17)	(7961.81)
Deduct : Prior Period Adjustment	(10454.39)	-
Profit before tax for the year	(28307.56)	(7961.81)
(Add)/ Less: Deferred Tax	-	(125.01)
Profit/(Loss) after Tax	(28307.56)	(7836.80)
Balance brought forward from previous year	(14528.47)	(6691.66)
Amount carried to Balance Sheet	(42836.03)	(14528.47)

OPERATIONS

During the year, the company continued to sell manufactured goods on its own as against also the job work previously, as the main activity. The Company's sales turnover was decreased to Rs. 43188.76 Lacs. After providing for depreciation of Rs. 2424.66 lacs, there was loss in the current year amounting to Rs. 28307.56 Lacs as against Loss of Rs. 7836.80 Lacs in the last year.

As per the compromise settlements arrived at, the Company has paid off all the outstanding balances with all the banks. On having paid off all the dues of secured creditors the BIFR has disposed off our first reference case no. 35/1999. It has however agreed to register our subsequent references and declared our unit as a sick one. The BIFR has therefore, appointed the Canara Bank as an Operating agent vide its order dated 1st March, 2012 to prepare a draft rehabilitation scheme which is in progress.

DIVIDEND

Your Directors express their inability to recommend any dividend for the year 2012-13 owing to accumulated losses incurred by the Company.

DIRECTORS:

Mr. Ashwin P. Patel shall retire by rotation in terms of the Articles of Association of the Company at the ensuing Annual General Meeting of the Company. He, however, being eligible, has offered himself for reappointment.



N. K. Industries Limited

Mr. Ashok B. Patel and Mr. Hasmukhbhai K. Patel were appointed as additional director of the Company w.e.f. 13th March, 2013 and 1st June, 2013 respectively.

Mr. Maitray D. Patel and Dr. Bharat J. Patel, Directors of the Company ceased to be director of the Company on account of resignation w.e.f. 5th October, 2012 and 14th March, 2013 respectively.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors state that

- i in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for that period;
- iii the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv the Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with Stock Exchanges, the Report on Corporate Governance is attached as Annexure to the Directors' Report.

AUDITORS AND AUDITORS' REPORT

M/s Rajiv shah & Associates., Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for reappointment as Auditors upto the next Annual General Meeting. You are requested to appoint the Auditors and fix their remuneration.

There are certain qualifications made by the Auditors in their report for which the Board of Directors hereby given its comments/explanation as under:

1. As Company has incurred huge losses in past years and the net worth of the Company is negative, the Board of Directors has already made reference to BIFR and BIFR has appointed the Canara Bank as an Operating agency vide its order dated 1st March, 2012 to prepare a draft rehabilitation scheme which is in progress. Once the Draft Rehabilitation Scheme being finalized by the operating agency i.e. Canara Bank, is approved by the BIFR, the Company's management is hopeful to revive the Sick Industrial Unit.
2. The Company has incurred trading loss of Rs. 176.34 crores on account of purchase and sales of commodities through National Spot Exchange Limited. As this trading is without any physical delivery of goods, the said amount of trading loss has been debited to profit & loss statement as trading loss to properly reflect the nature of transaction.
3. The company has not obtained confirmation from all the trade creditors, trade debtors and parties having advances and loans. Hence, the notes to accounts mention that the balance is subject to confirmation. However, due to this, no significant changes are expected.
4. As regards, the non provision of sales tax liabilities of Rs. 5423.55 Lacs, it is to be explained that the said liabilities is disputed by the Company and the Company is hopeful of getting the said demand dismissed in appeal and hence decided not to make any provision for the same.
5. The company has provided for interest on advances of Rs. 1171.60 Lacs due to the fact that the said amount of advance is considered as doubtful.

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6. Once the Draft Rehabilitation Scheme being finalized by the operating agent Canara Bank is approved by the BIFR, the Company's management is hopeful to revive a Sick Industrial Unit.
7. There has been prior period adjustment to the extent of Rs. 104.54 Crores. These adjustments had become necessary due to wrong accounting during the last year and are in the nature of rectification during the year and the net difference has been debited to the profit & loss account.

PARTICULARS OF EMPLOYEES :

No employee was employed during the year drawing remuneration exceeding the limits as prescribed under Section 217(2A) of the Companies Act, 1956. Hence the information under Section 217(2A) of the Companies Act, 1956 is not applicable.

PERSONNEL

The relations between the employees and the management remained cordial during the year under review.

OTHER INFORMATION

Information required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earning/outgo is appended in Annexure hereto, which forms part of this report.

ACKNOWLEDGEMENT

Your Directors express their sincere thanks and appreciation to the promoters, shareholders and customers for their constant support and co-operation.

Your Directors also place on record their gratitude to the Banks, Institutions and Government Departments for their confidence reposed in the Company.

For and on behalf of the Board

sd/-

Date: 30th September, 2013

Nimish K. Patel

Place: Ahmedabad

Chairman & Managing Director



N. K. Industries Limited

ANNEXURE

ADDITIONAL PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED ON 31ST MARCH 2013.

[A] CONSERVATION OF ENERGY:

- (a) We are using our own D.O.C as Boiler fuel. As the calorific value of D.O.C. is higher than the lignite, fuel to steam ratio could enhance considerably. By using this, we are in a position to operate boilers more efficiently.
- (b) We have adopted water degumming to improve the Quality of Commercial Oil.
- (c) With vigorous trials in laboratory, we could improve the quality of 12 HSA.

The information about energy consumption per unit of production - Form No A is not applicable to this kind of Industry.

[B] TECHNOLOGY ABSORBTION:

Efforts made in technology absorption as per Form B of Annexure.

[C] FOREIGN EXCHANGE EARNING AND OUTGO:

Total foreign exchange used & earned: The Company has not earned any foreign exchange and no import has been made using foreign exchange.

FORM-B (See Rule-2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORBTION

Research & Development(R & D)

Specific areas in which R&D carried out by the Co.	N.A
Benefits arrived as a result of the above R&D	N.A
Future plan of Action	No Future Plan at present
Expenditure on R&D	Nil

1. Technology absorption, adaptation and innovation

a. Efforts in brief made towards technology, absorbtion, adaptation and innovation:

As per old technology, crushing was done twice in separate expeller. But by innovation, we adopted a single crushing in double chamber expellers.

2. Benefits derived as a result of the above efforts:

We get benefits of higher crushing capacity with less electrical consumption and better quality product.

a. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), the following information may be furnished:-

Technology Imported	Nil
Year of Import	Nil
Has Technology been fully absorbed	Nil
If not, Future plans of Action	Nil

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ANNEXURE

Report on Corporate Governance

1. Company's philosophy on Code of Corporate Governance:

To achieve the Company's objective to be one of the known Companies in the field of castor oil and to assist in fulfilling our endeavour in creating wealth for its shareholders, the Board decided to normalize and strengthen the process that the company efficiently manages its business and greater success through the establishment of corporate governance.

2. Board of Directors:

The present strength of the Board consists of Five Directors. The Board meets at least once in every quarter to assess the Company's performance, operations, to ensure compliance with laws and regulations. The gap between two Board meetings is not more than four months. Since the Company is registered as a Sick Industrial Company by BIFR, the Board tries to see that there is improvement of its working with an intention to meet all its obligations to the secured and unsecured creditors as well as other stakeholders.

The Company has been endeavouring to constitute the Board of Directors and the Audit Committee having optimum combination of Executive, Non executive and independent Directors in due Compliance with Clause 49 of the listing agreement.

a. Composition and Category of Directors:

The detailed composition of the Board given below contains the constitution of the Board of the Company as on 31st March 2013 along with the category and the no. of directorship in companies:

The details of membership in the committees of the Directors given below are as on the date of the Report

Name (Designation)	Category of Directorship	Directorship (Including our Company)	**Committee Membership+ (Including Our Company)
Mr.Nimish K. Patel (Chairman & Managing Director)	Executive	9	Nil
Mr. Nilesh K. Patel (Managing Director)	Executive	5	1
Mr. Jayesh D. Thakkar (Independent Director)	Non Executive	3	3
Mr. Ashwin P. Patel (Whole Time Director)	Executive	1	2
Mr. Ashok B. Patel (Additional Director)	Non-Executive	1	2

+ Membership includes Chairmanship

** Indicates Membership/Chairmanship in the Audit Committee, Remuneration Committee and Shareholders/Investors Grievance committee (excluding Private Limited Companies, Foreign Companies and Section 25 Companies).



N. K. Industries Limited

b) Details of the Directors seeking Appointment/Reappointment in forthcoming Annual General Meeting:

Name of Director	Ashwin P. Patel	Ashokbhai B. Patel	Hasmukhbhai K. Patel
Date of Birth	31/12/1949	20/10/1956	14/12/1954
Date of Appointment	30/03/2007	13/03/2013	01/06/2013
Expertise in specific functional areas	Administration	General administration	Accounts and general administration
List of Public Limited Companies in which Directorships held	N K Industries Limited	N K Industries Limited	N K Industries Limited
Chairman/Member of the Committees of the Board of Directors of other Company	Shareholders/Investors Committee	Remuneration and Audit Committee	Remuneration and Audit Committee
Chairman/Member of the Committees of Directors of other Companies	-	-	-

c) Attendance:

During the last financial year ended 31st March 2013, 9 Board Meetings were held on the following dates:

Sr. No.	Date of Board Meeting
1.	30 th May, 2012
2.	14 th August, 2012
3.	29 th September, 2012
4.	12 th November, 2012
5.	21 st December, 2012
6.	16 th January, 2013
7.	14 th February, 2013
8.	13 th March, 2013
9.	30 th March, 2013

Attendance of each Director at the Board Meetings and last Annual General Meeting is as under:

Name of Director	Number of Board Meetings attended	Attendance at last AGM held on 29 th September, 2012
Mr. Nimish K. Patel	9	Present
Mr. Nilesh K. Patel	9	Present
Mr. Jayesh D. Thakkar	9	Present
Mr. Ashwin P. Patel	9	Present
Dr. Bharat J. Patel	7	Present
Mr. Maitray D. Patel	3	Present
Mr. Ashok B. Patel	2	NA

3. Audit Committee:

Terms of Reference

The Terms of Reference of this Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

Composition and Attendance of Audit Committee is as under:

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Name of the Directors	Expertise	Functions of the Committee	Meetings
Mr. Jayesh D. Thakkar (Chairman)	All members are Non-executive and independent.	The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange(s), which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	The meetings of the Audit Committee were held on 30-05-2012, 14-08-2012, 12-11-2012, & 14-02-2013
Mr. Maitray D. Patel (upto 05-10-2012)	Chairman is Independent Director and at least two third are independent. At least one member has thorough financial and accounting knowledge.		
Dr. Bharat J. Patel (upto 12-03-2013)			
Mr. Ashwin P. Patel (w.e.f 12-11-2012)			
Mr. Ashok B. Patel (w.e.f. 13-03-2013)			

Name of Member	Category	Attendance
Mr. Jayesh D. Thakkar (Chairman)	Independent Director	4
Mr. Maitray D. Patel	Independent Director	3
Dr. Bharat J. Patel	Independent Director	4
Mr. Ashwin P. Patel	Executive Director	1
Mr. Ashok B. Patel	Independent Director	N.A.

The Audit Committee was lastly reconstituted on 29th May, 2013, composition of reconstituted Committee were as under:

Name of Member	Category
Mr. Jayesh D. Thakkar (Chairman)	Independent Director
Mr. Ashok B. Patel	Independent Director
Mr. Hasmukhbhai K. Patel	Independent Director

4. Remuneration Committee:

Terms of Reference

The Board of Directors of the Company have constituted Remuneration Committee in their Board Meeting held on 7th May, 2009 pursuant to the compliances under the Schedule XIII of the Companies Act, 1956 as well as non mandatory requirement of the Clause 49 of the Listing Agreement.

Composition of the Remuneration Committee:

Sr. No.	Name of Member
1.	Mr. Jayesh D. Thakkar (Chairman)
2.	Mr. Ashok B. Patel
3.	Mr. Ashwin P. Patel

The Remuneration Committee was lastly reconstituted on 29th May, 2013, composition of reconstituted Committee were as under:

Name of Member	Category
Mr. Jayesh D. Thakkar (Chairman)	Independent Director
Mr. Ashok B. Patel	Independent Director
Mr. Hasmukhbhai K. Patel	Independent Director



N. K. Industries Limited

Details of Remuneration to the Executive Directors

Particulars	Nimish K. Patel (Chairman & Managing Director)	Nilesh K. Patel (Managing Director)	Ashwin P. Patel (Whole Time Director)
Salary	60,000	60,000	6,00,000
Commission	N.A.	N.A.	N.A.
Perquisites and other allowances	N.A.	N.A.	N.A.
Total	60,000	60,000	6,00,000

(b) Sitting fees are not paid to the directors.

5. Shareholders / Investors' Grievance Committee:

The Shareholders/Investors Grievance Committee meets once or twice every month to review and approve transfer/transmission/ transposition/dematerialisation of equity shares and also to examine any grievance raised by shareholders/investors. The Company ensures that the transfer of shares and dematerialisation requests are confirmed within stipulated time under the listing agreement.

The members of the committee as on 31st March, 2013 are:

- i) Mr. Jayesh D. Thakkar (Independent Director)
- ii) Mr. Nilesh K. Patel (Executive Director)
- iii) Mr. Ashwin P. Patel (Executive Director)

The Company had received certain complaints from shareholders/investors and all of them have been responded / resolved by furnishing requisite information / documents. No investor complaints were pending as on 31st March 2013.

6. General Body Meetings:

The details of the last three Annual General Meetings held are as under:

Date	Venue	Time
30-09-2010	7 th Floor, Popular House, Ashram Road, Ahmedabad	5.00 P.M.
30-09-2011	7 th Floor, Popular House, Ashram Road, Ahmedabad	4.00 P.M.
29-09-2012	7 th Floor, Popular House, Ashram Road, Ahmedabad	4.00 P.M.

No special resolution was put through postal ballot last year nor is it proposed this year.

Disclosures:

- a) The Company may have job work arrangements with its associate companies. The same may be done at market related price, comparable with one available in the Industry.
- b) The Company has not fully complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on some matters related to capital markets during the last years.

BSE has suspended trading in the securities of the Company w.e.f. 16th January, 2013 as Company has failed to comply with various provisions of the Listing Agreement on time.

No penalties or strictures have been imposed on the Company by the stock exchanges/SEBI.

7. Means of Communication

The Company in attempting to comply with the listing agreement intimates unaudited as well as audited financial results as also shareholding pattern etc. to the Stock Exchanges after the Board approves them. Management Discussion and Analysis forms part of this Annual Report. The results, Annual report, shareholding pattern etc. are also filed/mailed through electronic means wherever feasible.

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8. Shareholder information:

a. Annual General Meeting

Date : 30th October, 2013, Wednesday
Time : 4.00 p.m.
Venue : 7th floor, Popular House, Ashram Road,
Ahmedabad - 380009.

b. Financial Calendar: Financial year of the company is from 1st April to 31st March.

Adoption of Quarterly Results for the quarter ending:

June 30, 2013	Second week of August, 2013
September 30, 2013	Second week of Nov., 2013
December 31, 2013	Second week of Feb., 2014
March 31, 2014	Last week of May, 2014

c. Book Closure Date: Monday, 28th October, 2013 to Wednesday, 30th October, 2013 (both days inclusive)

d. Dividend Payment date: Not applicable as no dividend is proposed.

e. Listing on Stock Exchanges

The equity shares of Company are listed on Stock Exchanges at Ahmedabad, Mumbai, Delhi, Chennai and National Stock Exchange. The company has paid the listing fees for the year 2013-14 to The Stock Exchange, Mumbai and upto the year 2011-12 to NSE and upto 2002-03 to other Stock Exchanges.

f. Stock Code.

NSDL & CDSL: ISIN No. is INE542C01019

BSE: 519494
NSE: NKIND
ASE: 40617

g. Share Price Data

The details of Stock Price Data during the period from 1st April, 2012 to 31st March, 2013 are submitted hereunder.

Month	BSE		
	High (Rs.)	Low (Rs.)	Shares Traded (No.)
April, 2012	54.00	41.20	81,575
May, 2012	51.75	38.15	1,80,908
June, 2012	46.90	37.35	51,041
July, 2012	50.00	37.00	21,762
August, 2012	44.40	38.00	23,380
September, 2012	48.00	40.50	57,965
October, 2012	44.50	38.95	91,563
November, 2012	44.30	38.25	67,413
December, 2012	43.90	35.00	84,211
January, 2013	38.80	33.00	23,606

*No Stock Price Data available, for the month February and March, 2013 as trading in securities of the Company is stopped due to suspension w.e.f. 16th January, 2013

h. Share Transfer System:

The transfer of shares in physical form is processed and completed by M/s. Link Intime India Private Limited within a period of 30 days (till 30th September, 2012) and within a period of 15 days (1st October, 2012 onwards) from the date of receipt thereof.

In case of Shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.



N. K. Industries Limited

Company's Registrar and Transfer Agent:- M/s. Link Intime India Pvt Ltd.,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup,
Mumbai-400078.

i. Distribution of Shares:

Distribution of shareholding as on 31st March 2013:

Number of Shares	Shareholder		Number of Shares	
	Number	%	Number	%
0 - 500	4750	92.61	617012	10.27
501 - 1000	181	3.53	150702	2.51
1001 - 2000	86	1.68	130450	2.17
2001 - 3000	28	0.54	69877	1.16
3001 - 4000	8	0.16	28511	0.47
4001 - 5000	16	0.31	76370	1.27
5001 - 10000	20	0.39	145859	2.43
10001 and above	40	0.78	4791119	79.72
Total	5129	100	6009900	100

j. Shareholding Pattern:

Shareholding Pattern as on 31st March, 2013 is as under:

	Category	No. of Shares Held	Percentage of Shareholding
A. PROMOTER'S HOLDING			
1.	Promoters -Indian Promoters -Foreign Promoters	35,07,228	58.36
2.	Persons acting in Concert	--	--
	Sub-Total	35,07,228	58.36
B. NON-PROMOTERS HOLDING			
3.	Institutional Investors	--	--
a.	Mutual Funds and UTI	--	--
b.	Banks, Financial Institution, Insurance Companies (Central/State Govt. Institutions/Non-Government Institutions)	1,300	0.02
c.	Foreign Institutional Investors	--	--
	Sub-Total	1,300	0.02

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4.	Others		
a.	Bodies Corporate	3,31,714	5.52
b.	Indian Public	21,62,863	35.99
c.	NRIs/OCBs	6,795	0.11
d.	Any other (please specify)	--	--
	Sub-Total	25,01,372	41.62
	GRAND TOTAL	60,09,900	100.00

k. Dematerialization of shares and liquidity:

89.57% of the paid - up capital has been dematerialized as on 31st March 2013.

I. Manufacturing Facilities at: Kadi, District: Mehsana Gujarat, India

m. Address for correspondence:

For both Physical and Electronic Form: M/s. Link Intime India Pvt Ltd.,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup,
Mumbai-400078.

Tele. No. : (022) 25963838
Fax No. : (022) 25946969
e-mail Address: www.intimespectrum.com

For any assistance regarding correspondence, dematerialisation of shares, share transfers, transactions, change of address, non-receipt of dividend or any other query, relating to shares:

Registered Office : 7th Floor, Popular House,
Ashram Road,
Ahmedabad -380 009.
Telephone Nos.: (079) 26589321 - 26

Compliance Officer : Mr. Ashvin P. Patel

9. As required by Clause 49 of the Listing Agreement with the Stock Exchange/s, the Auditors' Certificate is given as Annexure' to this Report.

For and on behalf of the Board

sd/-

Date: 30th September, 2013

Nimish K. Patel

Place: Ahmedabad

Chairman & Managing Director



N. K. Industries Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview:

The promoters selected to go into manufacturing and refining castor oil and its derivatives keeping in view market perspective. India is a dominating country in production of castor seeds with an average of 65% and Castor Oil an average of 61%. Out of the world production, India's oil export is an average over 85%.

Risk and Concerns:

The company is exposed due to disparity resulting into pressure on margin. Moreover non-availability of funds from the banks due to sickness of the unit as well as repayment obligations to banks affects the quick turnaround. However, the management is aware of the said problems & therefore designed the system to address the same. Once the Draft Rehabilitation Scheme being finalized by the operating agent Canara Bank is approved by the BIFR, the Company's management is hopeful to revive a Sick Industrial Unit.

Internal Control System and their adequacy:

The Company has an adequate system of internal control relating to purchase of stores, raw materials and other assets and also for sale of goods. Job work is carried out within the time schedule. The Company has set up an Audit Committee comprising of non-executive independent directors. The Company has also appointed the firm of Chartered Accountants to carry out internal audit. The internal auditors are analysing the areas of risk with a view to strengthen the internal controls.

Financial and Operational Performance:

The income earned by the company was mainly from direct Sales. The operational Loss for the year was Rs. 27923.86 Lacs (P.Y. Rs. 7961.81Lacs). The production of Castor Oil including job work was 4, 99, 87,320 M.T as against 14, 67, 28,159 M.T. for the previous year. The Company is however making its efforts to increase the production so as to utilise the installed capacity to the maximum.

Manpower:

The management is continuously trying to see that the unit runs on job work basis as well as direct sales. Once the funds are available from the banks, it will increase its own sales and thereby increase own profitability. This will help to enhance the utilization of its capacity and thereby create further employment.

AUDITOR'S REPORT

To The Members of N.K. Industries Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of N.K. Industries Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 Act. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

1. We draw attention to Note 25(i) in the financial statements which indicate that the company had incurred huge losses in past years and the company's net worth is negative. In spite of this in view of the management, the accounts has been prepared on Going Concern basis.



N. K. Industries Limited

2. A Company has been buying and selling goods on National Spot Exchange Limited (NSEL) through trading and clearing member, N.K. Proteins Limited (Group Company). NSEL suspended the trading on 31st July 2013 and has referred the matter for arbitration for recovery of outstanding amount from N.K. Proteins Limited, this company and other clients. The matter is pending with Bombay High Court.

Further, income tax department carried out survey under section 133A on the company along with other group companies for investigating the transactions with NSEL. The investigation is pending with Income Tax Department.

Further, the investigation by EOW is also in progress.

- a) The trading loss of Rs. 176.34 Crores (P.Y. Rs. 49.26 Crores) represents the loss made on purchase and sales of commodities through National Spot Exchange Ltd. without physical delivery of goods. (Refer note No.25O).
- b) The Balances of Trade Creditors, Trade Debtors, Advances and Loans (including in respect of transactions through National Spot Exchange Limited) are Subject to confirmation (Refer note no.25K and 25L).

We are unable to give any opinion of the likely impact on the financial statements of this transactions referred to in paragraph (2) above.

3. The company has not made provision for sales tax liabilities of Rs.5423.55Lacs (Refer note no 25A). Had the provision would have been made the Loss for the current year and accumulated Loss would have been more by this amount and liabilities would have been more by this amount.
4. No provision for interest is made during the year on advances of Rs. 1171.60 Lacs (P.Y. Rs.1011.98Lacs), since same is considered as doubtful.
5. Impact if any of the rehabilitation scheme by operating agency appointed by BIFR is not ascertainable since the scheme is pending(refer note No. 25D)
6. Attention is invited to prior period adjustment of Rs.104.54 Crore (refer to Note No.25M)

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, excepts for the possible effects to the matters described in the Basis for qualified opinion, the financial statements give the information required by the Act in the manner so required and give a true and fair view incofirmity with the accounting principles genrally accepted in india.

- a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March,2013.
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date and
- c) In the case of the Cash flow Statement, of the cash flows for the year ended on that date.

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Report on Other Legal and Regulatory Requirements

- 1) As required by the Statement on Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
- 2) As required by section 227(3) of the Act, we report that:
 - a) Except for the matter described in the basis for Qualified Opinion paragraph, 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;
 - b) Except for the matter described in the basis for Qualified Opinion, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account.
 - d) Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion Balance Sheet, Statement of Profit and Loss and cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

FOR RAJIV SHAH & ASSOCIATES
Chartered Accountants
(FRNo.108454W)

Place : Ahmedabad
Dated : 30th September 2013

sd/-
(RAJIV C SHAH)
Partner
M.No.: 043261



N. K. Industries Limited

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph of our report of even date on the accounts of N. K. Industries Limited for the year ended on 31st March 2013.

- (i)
 - (a) The Fixed Assets Register is not maintained by the company.
 - (b) The Fixed Assets are physically verified by the Management during the year but as there is no fixed asset register is maintained, therefore discrepancy, if any, could not be ascertained.
 - (c) During the year substantial part of fixed assets have not been disposed off.
- (ii)
 - (a) As explained to us, the inventory has been physically verified by the management at reasonable intervals. In our opinion the frequency of verification is reasonable.
 - (b) The procedure of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii)
 - (a) The company has granted interest free unsecured loans to five companies covered in the register maintained under section 301 of the Companies Act, 1956. The net worth of four companies is negative. We are unable to express our opinion on recoverability of the same (Amount outstanding Rs 1007.46 Lacs (P.Y. 966.07 Lacs). The maximum amount involved during the year was Rs. 2507.46 lacs (P.Y. Rs. 966.07 lacs) and the year-end balance of such loan was Rs. 2507.46 lacs (P.Y. Rs. 966.07 lacs). The company has not granted any loan to firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) The loans are interest free loans and are considered doubtful of recovery.
 - (c) There is no stipulation for repayment of loan.
 - (d) There is no stipulation in respect of loans granted therefore the question of overdue amount does not arise.
- (e) The company has not taken any loan from any company, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to information given to us, there an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. There is no continuing failure to correct major weaknesses in internal control system;
- (v)
 - (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
 - (b) According to the information and explanations given to us, in respect of transactions (Includes transactions referred to in Note No.25 O) referred to in section 301 of the Companies Act, 1956 made with the company or firm in pursuance of contracts or arrangements, We are unable to comment on prevailing market price in view of nature of transaction and commodity.

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(vi) The company has not accepted any deposit from any party throughout the year. Therefore, provisions of section 58A, 58AA or any other relevant provisions of Companies Act, 1956 and the rules made there under are not applicable.

(vii) In our opinion, the company's internal audit system needs to be strengthened to make it commensurate with the size of the company and nature of its business.

(viii) The company has carried on manufacturing activities on its own only for two months during the year and therefore the management is of the view that books of account and records Pursuant to rules prescribed by Central Government under section 209(1)(d) of Companies Act,1956 in respect of all its manufacturing activities are not applicable. Hence company has not maintained the cost accounting records for the year.

(ix) (a) According to the information and explanations given to us the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty and Cess were in arrears as at the end of the year, for a period of more than six months from the date they become payable.

(C) According to the information and explanations given to us, there are no disputed dues which are not deposited of sales tax/income tax/wealth tax/service tax/custom duty/excise duty, or cess except stated below:

Name of the Statute	Nature of Dues	Amount (Rs.in Lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act	Corporate Tax	25.93 Lacs (upto 31/3/13)	Block Assessment from 1989 to 1999	Gujarat High Court
Income Tax Act	Corporate Tax	161.72 Lacs	A.Y.2006-2007	CIT Appeal
Income Tax Act	Corporate Tax	140.26 Lacs	A.Y.2007-2008	CIT Appeal
Guj. Sales Tax	Sales Tax	5423.55 (Net of payments)	F.Y. 1989-90, 90-91, 97-98 to 2001-02	Sales Tax Tribunal / Commercial Tax Officer

(x) In our opinion, the accumulated losses of the company as on 31st March 2013 are more than the fifty percent of its net worth. It has incurred cash loss during the current financial year. There was also cash loss during the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the company has settled the outstanding dues with Visnagar Nagarik Sahakari Bank Ltd during the year. There is no other outstanding loan at the end of the year.

(xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore provisions of clause (xiii) of the Order are not applicable to the company.

(xiv) According to the information and explanations given to us the company is not dealing or trading in shares and securities. There are no such shares or securities held by the company.



N. K. Industries Limited

- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not raised any new term loans during the year.
- (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion the short term fund raised are not utilized for acquiring fixed asset or long term investment or vice-a-versa.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) The company has not issued any debentures and therefore the creation of securities does not arise.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

FOR RAJIV SHAH & ASSOCIATES
Chartered Accountants
(FRNo.108454W)

Place : Ahmedabad
Dated : 30th September 2013

sd/-
(RAJIV C SHAH)
Partner
M.No.: 043261

CERTIFICATE ON COMPLIANCE TO CORPORATE GOVERNANCE

The Board of Directors

N.K.Industries Ltd.,

Ahmedabad.

We have examined the Compliance of the conditions of Corporate Governance by N.K.Industries Ltd. for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of the opinion on the financial statements of the company.

We certify that the company has complied with the conditions of corporate governance as stipulated in the above-mentioned listing agreement.

We further state that such compliance is neither an assurance as to the further viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Ahmedabad

Dated : 30th September 2013

FOR RAJIV SHAH & ASSOCIATES
Chartered Accountants
(F.R.No. 108454W)

(Rajiv C Shah) Partner
M.No.: 043261



N. K. Industries Limited

N.K.Industries Ltd. Balance Sheet As on 31st March 2013

(Amt. in ₹)

Particulars	Note No.	As at 31-Mar-2013	As at 31-Mar-2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	6 00 99 000	6 00 99 000
(b) Reserves and surplus	2	(227 87 58 424)	75 72 28 308
		(221 86 59 424)	81 73 27 308
2 Non-current liabilities			
(a) Long-term borrowings	3	-	3 74 003
(b) Deferred tax liabilities (Net)	4	-	-
(d) Long-term provisions	5	2 10 61 059	2 07 57 411
		2 10 61 059	2 11 31 414
3 Current liabilities			
(a) Trade payables	25L	17 18 14 11 483	9 64 90 33 658
(b) Other current liabilities	6	33 91 160	2 19 21 333
(c) Short-term provisions	7	17 15 580	14 56 395
		17 18 65 18 223	9 67 24 11 386
	TOTAL	14 98 89 19 858	10 51 08 70 109
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	8		
(a) Tangible assets		2 00 79 59 465	2 05 92 14 410
(b) Intangible assets		2 36 170	3 04 434
(c) Capital work-in-progress		2 32 63 744	10 41 77 651
		2 03 14 59 380	2 16 36 96 495
(b) Non-current investments	9	25 12 26 560	25 12 26 560
(c) Long-term loans and advances	10	62 01 92 628	50 10 00 381
2 Current assets			
(a) Inventories	11	1 18 74 04 214	57 28 10 243
(b) Trade receivables	12	10 61 33 57 907	6 62 87 89 842
(c) Cash and Bank Balance	13		
Cash and cash equivalents		1 74 81 543	2 35 31 053
Other Cash and bank balance		32 53 912	30 10 508
(d) Short-term loans and advances	14	26 45 43 715	36 68 05 028
		12 08 60 41 291	7 59 49 46 673
	TOTAL	14 98 89 19 858	10 51 08 70 109
Significant Accounting Policies	24		

As per our report of even date attached.

FOR, RAJIV SHAH & ASSOCIATES

Chartered Accountants

(FRNo.108454W)

sd/-

Rajiv C Shah

Partner

M.NO.043261

Place : Ahmedabad

Date : 30/09/2013

For and on behalf of the Board of Directors of

N.K.Industries Ltd.

sd/-

Nimish K. Patel

Chairman & Managing Director

sd/-

Nilesh K. Patel

Managing Director

Place : Ahmedabad

Date : 30/09/2013

Annual Report

N.K.Industries Ltd.

Statement of Profit and Loss for the Year Ended on 31st March 2013

(Amt. in ₹)

Particulars	Refer Note No.	For the year ended on 31-Mar-2013	For the year ended on 31-Mar-2012
Revenue from operations	15	4 31 88 76 103	10 50 41 25 709
Other income	16	9 09 48 634	17 89 33 885
Total Revenue		4 40 98 24 737	10 68 30 59 594
Expenses:			
Cost of materials consumed	17	90 80 51 454	8 74 37 52 918
Purchases of Stock-in-Trade	18	3 94 00 38 479	2 32 96 87 260
Changes in inventories of finished goods WIP and Stock-in-Trade	19	(53 87 97 450)	(36 47 31 025)
Employee benefits expense	20	1 32 95 499	1 98 25 043
Finance costs	21	5 20 936	21 77 323
Depreciation and amortization expense		24 24 66 120	2 03 38 880
Less Transfer from Revaluation Reserves		20 52 30 372	-
Other expenses	8	3 72 35 747	2 03 38 880
Trading Loss	22	9 82 32 436	23 56 21 089
Total expenses		1 76 33 67 892	49 25 69 544
Profit before exceptional item		6 22 19 44 994	11 47 92 41 032
		(181 21 20 257)	(79 61 81 438)
Exceptional Items + / (-)	23	2 68 02 735	-
Profit after exceptional item		(178 53 17 522)	(79 61 81 438)
Prior Period Adjustment	25M	(104 54 38 838)	-
Profit before tax for the year		(283 07 56 360)	(79 61 81 438)
Tax expense:			
Current tax		-	-
Deferred tax		-	(1 25 01 385)
Profit (Loss) for the period		(283 07 56 360)	(78 36 80 053)
Earnings per equity share:			
Basic and Diluted		(471.02)	(130.40)
Significant Accounting Policies	24		

As per our report of even date attached.

FOR, RAJIV SHAH & ASSOCIATES
Chartered Accountants
(FRNo.108454W)

sd/-

Rajiv C Shah

Partner

M.NO.043261

Place : Ahmedabad

Date : 30/09/2013

For and on behalf of the Board of Directors of
N.K.Industries Ltd.

sd/-

Nimish K. Patel

Chairman & Managing Director

sd/-

Nilesh K. Patel

Managing Director

Place : Ahmedabad

Date : 30/09/2013



N. K. Industries Limited

N. K. Industries Limited

Cash Flow Statement for the year ended on 31st March, 2013

(₹ in Lacs)

Particulars	As At 31st March 2013	As At 31st March 2013	As At 31st March 2012	As At 31st March 2012
Cash Flow Operating Activities:				
Net Profit Before Tax and Exceptional Item		(28,191.89)		(7,961.81)
Adjustment for :				
Depreciation		372.36		203.39
Interest Charged P&L a/c		5.21		21.77
		(27,814.32)		(7,736.65)
Adjustment for :				
Trade and other receivables	(40,398.73)		(27,631.90)	3,379.19
Inventories	(6,145.94)		8,011.28	-
Trade Payable	75,144.10	28,599.47	30,736.46	11,115.85
Cash Generated from operating Activities		785.14		
Less: Income Tax Paid		-		
Cash flow before extra ordinary item		785.14		3,379.19
Exceptional Item		268.03		-
Net Cash Flow from operating Activities		1,053.17		3,379.19
Cash Flow From Investing Activities:				
Purchase of Fixed Assets	(1,102.29)		(1,130.64)	
Purchase/Sale of Investments	-	(1,102.29)	(2,500.50)	(3,631.14)
Net Cash Flow from Investing Activities		(1,102.29)		(3,631.14)
Cash Flow From Financing Activities:				
Proceeds from Borrowing	(3.74)		(4.68)	
Interest Paid	(5.21)		(21.77)	
Net Cash used in Financial Activities		(8.95)		(26.45)
Net increase/(decrease) in cash and cash equivalents		(58.07)		(278.40)
Cash & Cash equivalent as at 01 st April		265.42		543.82
Cash & Cash equivalent as at 31 st March		207.35		265.42
		(58.07)		(278.40)

As per our report of even date attached.

For and on behalf of the Board of Directors of

For, Rajiv Shah & Associates

N.K.Industries Ltd.

Chartered Accountants

(FRNo.108454W)

sd/-

Rajiv C Shah

Partner

M.NO.043261

Place : Ahmedabad

Date : 30/09/2013

sd/-

Nimish K. Patel

Chairman & Managing Director

sd/-

Nilesh K. Patel

Managing Director

Place : Ahmedabad

Date : 30/09/2013

a. Details of Share Capital

Particulars	As at 31-Mar-2013		As at 31-Mar-2012	
	Number	₹	Number	₹
Authorized				
Preference Share Capital				
Preference shares of ` 100 each	500,000	50,000,000	500,000	50,000,000
Equity Share Capital				
Equity Share of Rs. 10 Each	25,000,000	250,000,000	25,000,000	250,000,000
		300,000,000		300,000,000
Issued, Subscribed & Paid up				
Equity Share Capital				
Equity Share of Rs. 10 Each	6,009,900	60,099,000	6,009,900	60,099,000
Total	6,009,900	60,099,000	6,009,900	60,099,000

b. Terms/rights attached to equity shares

The company has two class of shares i.e. equity shares having a par value of Rs.10 per share and preference shares of Rs.100 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends, if any, in Indian rupees. The dividend, if proposed, by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General meeting. The Preference Share holders are also entitled to each share of voting rights to the extent of outstanding preference shares. The company has not issued any preference share at end of the financial year.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c Share holding details of the company As at 31-Mar-2013 and name of persons holding more than 5% shares.

Name of Shareholder/Company	As at 31-Mar-2013		As at 31-Mar-2012	
	No. of Shares held	%	No. of Shares held	%
Names of person holding more than 5% shares				
Shanti Stock Holding Pvt Ltd	1,313,883	21.86	1,313,883	21.86
Total	1,313,883	21.86	1,313,883	21.86

As per the records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of the shares.



N. K. Industries Limited

2 Reserves & Surplus

Particulars	As at	
	31-Mar-2013	31-Mar-2012
	₹	₹
General Reserves		
Opening Balance	1,038,073	1,038,073
Closing Balance	1,038,073	1,038,073
Security Premium Account		
Opening Balance	90,297,000	90,297,000
Closing Balance	90,297,000	90,297,000
Capital Reserve		
Opening Balance	174,025,339	1,224,592
Add : Transfer from State Govt. Cash Subsidy Received	-	1,872,464
Add : Transfer from Waiver of Principal amt of bank	-	170,928,283
Closing Balance	174,025,339	174,025,339
Revaluation Reserve (Note Below)		
Opening Balance	1,944,714,794	-
Buildings	-	299,543,578
Land	-	943,425,648
Plant & Machinery	-	701,745,568
Less: Transferred to profit & Loss account	1,944,714,794	1,944,714,794
Depreciation on Buildings	(10,004,756)	-
Depreciation on Plant & Machinery	(195,225,617)	-
Closing Balance	1,739,484,421	1,944,714,794
State Government Cash Subsidy Received		
Opening Balance	-	1,872,464
Less : Transfer to Capital Reserve	-	(1,872,464)
Closing Balance	-	-
Waiver Of Principal Amt.Of Bank		
Opening Balance	-	170,928,283
Less : Transfer to Capital Reserve	-	(170,928,283)
Closing Balance	-	-
Total	174,025,339	174,025,339
Surplus/(Deficit)		
Opening balance	(1,452,846,897)	(669,166,844)
(+) Net Profit/(Net Loss) For the current year	(2,830,756,360)	(783,680,053)
Closing Balance	(4,283,603,257)	(1,452,846,897)
Total	(2,278,758,424)	757,228,308

Note : Company has created Revaluation Reserve by revaluing its Land, Building and Plant & Machinery on 31/03/2012 of Total Rs. 194,47,14,794. Revaluation Reserve is not a free reserve. No dividend can be distributed out of such reserve. However, revaluation reserve can be used to adjust the effect of additional depreciation arising out of revaluation of Fixed Assets.

Annual Report

3 Long Term Borrowings

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	₹	₹
Secured Term loans		
from banks		
HDFC BANK LOAN - GJ-1 VENTO CAR (Secured against Hypothecation of Vehicles)		351,683
from other parties		
SUNDRAM FINANCE LTD- GJ-2AP-3608 INDICA (Secured against Hypothecation of Vehicles)		22,320
Terms of Repayment - 36 Equalised monthly installments for Car loans		
Total	-	374,003

4 Deferred Tax Liability

a The policy statement of the company with respect of accounting of deferred tax liability is disclosed at para No. (j) of the Significant Accounting policies.

b Details of deferred tax Liability/Assets

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	₹	₹
Deferred tax liability		
Difference of Depreciation	(74,155,828)	11,337,532
Total DTL	(74,155,828)	11,337,532
Deferred tax asset		
Provision for Gratuity disallowable u/s. 40A(7) of I Tax Act	3,725,489	523,059
Provision for Leave disallowable u/s. 43B of I Tax Act	1,095,706	36,756
Provision for Doubtful Debts - Advances	121,437,596	135,787,145
Total DTA	126,258,791	136,346,961
Net Deferred Tax Liability/(Asset)*	(200,414,619)	(125,009,429)

*The Company has not recognised Deferred Tax Asset of Rs. 200414618 as on 31st March 2013 (Rs. 125009429 as on 31st March 2012), in the books as there is no virtual certainties supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be set off.



Nok Industries Limited

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	₹	₹
Provision for Employee Benefits		
Leave Encashment	969,465	524,327
Gratuity	3,040,009	3,181,499
Total	4,009,474	3,705,826
Others		
Interest Payable On Block Assessment	14,758,294	14,758,294
Provision Income Tax - Block Assessment	2,293,291	2,293,291
Total	17,051,585	17,051,585
Total	21,061,059	20,757,411

6 Other Current liability

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	₹	₹
Current maturities of Long-term borrowings		
Other payables		
Expense payable	373,275	468,152
Other Statutory Liabilities	1,023,991	1,981,813
Advance Received from Customers	692,489	660,042
Total	1,305,271	18,811,326
Total	3,021,751	21,453,181
Total	3,395,026	21,921,333

7 Short-term provisions

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	₹	₹
Provision for employee benefits		
Bonus	903,859	644,674
Gratuity	685,480	685,480
Leave Encashment	126,241	126,241
	1,715,580	1,456,395

Sr.	Particulars	Gross Block			Accumulated Depreciation			Net Block		
		As at 31-Mar-2012	Additions	Adj. during the year	As at 31-Mar-2013	As at 31-Mar-2012	Depre. charge for the year	Adj. during the year	As at 31-Mar-2013	As at 31-Mar-2012
		₹	₹	₹	₹	₹	₹	₹	₹	₹
a	Tangible Assets									
	Freehold Land	946816000	0	0	946816000	0	0	0	0	946816000
	Buildings*	407230949	16141759	0	423372708	47094449	134960606	0	0	362787653
	Plant and Equipment**	1137689151	160561953	0	1298151104	393689152	226905834	0	60585055	360136500
	Furniture and Fixtures	5216320	10964054	0	16180374	3879731	572539	0	620594986	677656119
	Vehicles	8380825	0	0	8380825	5164628	832674	0	4452270	11778103
	Office equipment	7019951	3264815	0	10284766	3489365	381531	0	5997302	2383524
	Computers	3570780	188080	0	3758860	3392241	192422	0	3870896	6413870
									3584663	3530586
									174197	178539
	Total	2515923976	191120661	0	2707044637	456709566	242375606	0	699085172	2007059465
	Tangible Assets Previous Year	567349164	710857740	252153	2515923976	436454629	20793876	38939	456709566	2059214410
b	Intangible Assets									125894535
	Computer software	558381	22250	0	580631	253947	90514	0	344461	236170
	Total	558381	22250	0	580631	253947	90514	0	344461	236170
	Intangible Assets Previous Year	532181	26200	0	558381	170004	83943	0	253947	304434
	Total	2516482357	191142911	0	2707625268	455963513	242466120	0	699429633	200819536
c	Capital work-in-progress	104177651	108076318	188990224	23263744	0	0	0	0	22263744
	Total	2820660008	299219229	188990224	2730889013	456963513	242466120	0	699429633	2031453380
	Capital Work In Progress Previous Year	0	104177651	0	104177651	0	0	0	0	104177651
	Previous Year figures	562881345	815061590	252153	2620660008	436624633	20377819	38939	456963513	2163696495
										126256712

(*) Opening includes revaluation of Land, Building and Plant & Machinery by Rs.194.47 Crores as per approved valuer's Report on 31-3-2012.

- (1) Freehold Land by 943,425,648
- (2) Building by 299,543,578
- (3) Plant & Machinery by 701,745,567
- TOTAL Revaluation of Assets 1,944,714,793**



N. K. Industries Limited

9 Non Current Investments

The policy statement of the company with respect of accounting of non current investments is disclosed at para No. (e) of the Significant Accounting policies.

Summarized information of investments

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	₹	₹
Other Investments - Unquoted		
Investment in Equity instruments	5,753,060	9,268,060
Investments in Government or Trust securities	23,500	23,500
Investments in Equity of Joint Venture Company	250,050,000	250,050,000
Total	255,826,560	259,341,560
Less:		
Provision for diminution in the value of Investments	4,600,000	8,115,000
Total	251,226,560	251,226,560

A Details of Other Investments - Unquoted					
Sr.	Name of the Body Corporate	No. of Shares		Amount (₹)	
		2012-13	2011-12	2012-13	2011-12
a	Investment in Equity Instruments				
	ACCURATE EXPORTS LTD. of ` 10 each	100,000	100,000	1,000,000	1,000,000
	FICON LEASE & FINANCE LTD. of ` 10 each	350,000	350,000	3,500,000	3,500,000
	HYTAISUN MAGNETICS LTD. of ` 10 each	10,000	10,000	100,000	100,000
	THE VISNAGAR N.S.BANK LTD. of ` 25 each	-	140,600	-	3,515,000
		460,000	600,600	4,600,000	8,115,000
	Less:				
	Provision for diminution in the value of Investments	460,000	600,600	4,600,000	8,115,000
		-	-	-	-
	AHMEDABAD COMMODITY EXCHANGE LTD of ` 10 each	56,500	56,500	1,153,000	1,153,000
	KALUPUR COMM.CO.OP.BANK of ` 10 each	6	6	60	60
	<u>Joint Venture Investments</u>				
	AWN AGRO PVT. LTD. of ` 10 each	25,005,000	25,005,000	250,050,000	250,050,000
		25,061,506	25,061,506	251,203,060	251,203,060
				255,803,060	259,318,060
				4,600,000	8,115,000
				251,203,060	251,203,060
				23,500	23,500
				23,500	23,500
				251,226,560	251,226,560

10 Long Term Loans and Advances

a Details of Long Term Loans and Advances

Particulars	As at 31-Mar-2013		As at 31-Mar-2012	
	₹	₹	₹	₹
Security Deposits				
Unsecured, considered good	9,951,250		9,144,789	
Long term Loans and advances to related parties				
Unsecured, considered good	150,000,000		-	
Unsecured, considered doubtful	100,746,339		96,606,928	
Total	250,746,339		96,606,928	
Less: Provision for doubtful advances	100,746,339		96,606,928	
<i>Loans and advances to related parties</i>	150,000,000		-	
Long-term Loans and advances to others				
Unsecured, considered good	452,109,592		479,273,665	
Doubtful	20,552,925		20,552,925	
Total	472,662,517		499,826,590	
Advances to suppliers for Capital work				
Unsecured, considered good	8,131,785		12,581,927	
Less: Provision for doubtful advances	20,552,925		20,552,925	
<i>Other loans and advances to others</i>	460,241,377		491,855,592	
Total	620,192,628		501,000,381	

b Details of amount due from the directors and other officers of the company

Directors	-	-
Other officer of the company.	-	-
Firm in which officer or director is a Partner	-	-
Company in which director is a Director or		
Directors Relative is a Director	250,746,339	96,606,928
Total	250,746,339	96,606,928

11 Inventories

Particulars	As at 31-Mar-2013		As at 31-Mar-2012	
	₹	₹	₹	₹
Raw Materials				
Castor Seed	629,390,879		-	
Finished goods				
12HSA	61,314,488		-	
Castor Cake	345,060		-	
Castor Commercial Oil	11,763,969		-	
Castor Cold Press Oil	5,073,327		-	
FSG Castor Oil	393,230,370		-	
H.C.O. Castor Oil	42,178,858		-	
Pale Press Castor Oil	523,366		-	
Ricilonic Acid	1,714,361		-	
D Oil Cake	17,768,033		-	
Solvent Castor Oil	4,885,619		-	
	538,797,450		-	
Stock-in-trade				
Castor Seed	-		567,537,320	
Chemicals				
Stores and spares	8,557,980		-	
Packing Materials				
Total	6,522,455		4,850,935	
	4,135,451		421,988	
Total	1,187,404,214		572,810,243	



N. K. Industries Limited

12 Trade Receivable

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	₹	₹
Outstanding for a period less than six months from the date they are due		
Unsecured, considered good	7,635,870,835	5,984,640,848
Net of provision	7,635,870,835	5,984,640,848
Outstanding for a period exceeding six months from the date they are due		
Unsecured, considered good	2,977,487,072	644,148,994
Unsecured, considered doubtful	352,298,715	352,298,715
Less: Provision for doubtful debts	3,329,785,787	996,447,709
Net of provision	352,298,715	352,298,715
	2,977,487,072	644,148,994
Total	10,613,357,907	6,628,789,842

Details of amount due from the directors and other officers of the company

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	₹	₹
Directors	-	-
Other officer of the company	-	-
Firm in which officer or director/relative is a Partner	4,581,663,521	-
Company in which officer or director is a Director or Directors relative is a Director	2,514,382,657	1,272,998,422
Total	7,096,046,178	1,272,998,422

13 Cash and Bank Balance

Cash and cash Equivalent

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	₹	₹
Balances with banks	5,026,503	20,203,470
Cash on hand	12,455,039	3,327,582
Total	17,481,543	23,531,053

Other Cash Balance

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	₹	₹
Bank deposits upto 12 months maturity	3,253,912	3,010,508
Total	3,253,912	3,010,508

14 Short-term loans and advances

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	₹	₹
Short Term Loans and advances to others		
Unsecured, considered good	189,326,792	280,627,017
Unsecured, considered doubtful	138,332	134,480
Total	189,465,125	280,761,497
Less: Provision for doubtful advances	138,332	134,480
Advances to suppliers	189,326,792	280,627,017
Unsecured, considered good	75,220,788	86,178,011
Total	264,547,580	366,805,028

Details of amount due from the directors and other officers of the company

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	₹	₹
Directors	-	-
Other officer of the company	-	-
Firm in which officer or director/relative is a Partner	-	-
Company in which officer or director is a Director or Directors relative is a Director	10,066,050	68,231
Total	10,066,050	68,231



N. K. Industries Limited

15 Revenue

Particulars	For the year ended on 31-Mar-2013	For the year ended on 31-Mar-2012
	₹	₹
Sale of products	4,318,876,103	10,504,602,351
total	4,318,876,103	10,504,602,351
<u>Less:</u>		
Excise duty	-	476,642
Total	4,318,876,103	10,504,125,709

16 Other Income

Particulars	For the year ended on 31-Mar-2013	For the year ended on 31-Mar-2012
	₹	₹
Interest Income (TDS Rs.29.60(P.Y. Rs.5.99)Lacs)	29,423,674	45,675,616
Profit From Future And Options	-	214,531
Soda Settlement	-	33,244
Bank Commission Charges Recover	3,237,743	-
Bad Debts Recovery	-	595,923
Misc. Income	5,558,917	745,558
Lease Rent (TDS Rs.40.29(P.Y.Rs. 27.12)Lacs)	50,000,000	45,000,000
Sales of Packing Material	2,728,300	86,669,013
Total	90,948,634	178,933,885

17 Cost of Material Consumed

Particulars	For the year ended on 31-Mar-2013	For the year ended on 31-Mar-2012
	₹	₹
Castor Seed	908,051,454	8,708,864,041
Castor Oil Cake	-	34,888,877
Total	908,051,454	8,743,752,918

18 Purchase of Trading Goods

Particulars	For the year ended on 31-Mar-2013		For the year ended on 31-Mar-2012	
	₹	%	₹	%
Castor Seed				
Stock transferred from manufacturing goods	-		682,345,314	
Purchase during the year	(35,978,779)		(214,960,508)	
Other direct purchase costs	433,225		1,336,627	
	(35,545,554)		468,721,433	
Castor Oil Cake				
Stock transferred from manufacturing goods	-		2,737,593	
Purchase during the year	271,591		37,047,428	
Other direct purchase costs	275,390		472,989	
	546,981		40,258,010	
Cotton Wash Oil				
Purchase during the year	3,547,728,412		1,573,142,617	
Other direct purchase costs	3,151,521		194,685	
	3,550,879,933		1,573,337,302	
Refined Cotton Seed Oil				
Purchase during the year	153,177,349		62,612,020	
Other direct purchase costs	4,498,882		1,468,905	
	157,676,231		64,080,925	
Refined Soyabean Oil				
Purchase during the year	78,047,766		-	
Other direct purchase costs	1,051,797		-	
	79,099,563		-	
Crude Degummed Soyabean oil				
Purchase during the year	114,216,519		-	
	114,216,519		-	
FSG Castor Oil				
Purchase during the year	3,548,332		183,045,342	
	3,548,332		183,045,342	
Castor Oil				
Purchase during the year Castor Oil	884,368		238,248	
Other direct purchase costs on castor oil	29,486		6,000	
Purchase during the year 12HAS	568,738		-	
Purchase during the year PP	7,173		-	
Purchase during the year Recinoleic Acid	1,632,816		-	
	3,122,580		244,248	
Tin Plate				
Purchase during the year	66,493,894		-	
	66,493,894		-	
Cost of Goods sold	3,940,038,479		2,329,687,260	

Details imported & indigenous material consumed (₹ in Lacs)

Particulars	For the year ended on 31-Mar-2013		For the year ended on 31-Mar-2012	
	₹	%	₹	%
Imported Material Consumed	-	0.00%	-	0.00%
Indigenous Material Consumed	9,081	100.00%	87,438	100.00%
Total Material Consumed	9,081	100.00%	87,438	100.00%



N. K. Industries Limited

19 Change in inventory

Particulars	For the year ended on 31-Mar-2013	For the year ended on 31-Mar-2012
	₹	₹
FSG Castor Oil		
Stock at the Begining of the financial year	-	109,579,261
Stock at the End of the financial year	393,230,370	-
	(393,230,370)	109,579,261
Castor Seed - Traded		
Stock at the Begining of the financial year	-	-
Stock at the End of the financial year	-	567,537,320
		(567,537,320)
DOC		
Stock at the Begining of the financial year	-	47,029,375
Stock at the End of the financial year	18,113,093	-
	(18,113,093)	47,029,375
Castor Commercial Oil		
Stock at the Begining of the financial year	-	16,038,681
Stock at the End of the financial year	11,763,969	-
	(11,763,969)	16,038,681
Pale Press Castor Oil		
Stock at the Begining of the financial year	-	-
Stock at the End of the financial year	523,366	-
	(523,366)	-
Ricinolic Acid		
Stock at the Begining of the financial year	-	-
Stock at the End of the financial year	1,714,361	-
	(1,714,361)	-
Castor Cold Press Oil		
Stock at the Begining of the financial year	-	-
Stock at the End of the financial year	5,073,327	-
	(5,073,327)	-
12HSA		
Stock at the Begining of the financial year	-	14,102,047
Stock at the End of the financial year	61,314,488	-
	(61,314,488)	14,102,047
HCO Castor Oil		
Stock at the Begining of the financial year	-	13,327,814
Stock at the End of the financial year	42,178,858	-
	(42,178,858)	13,327,814
Solvent Castor Oil		
Stock at the Begining of the financial year	-	2,729,117
Stock at the End of the financial year	4,885,619	-
	(4,885,619)	2,729,117
Total	(538,797,450)	(364,731,025)

20 Employee benefits expense

Employee Benefits Expense	For the year ended on	For the year ended on
	31-Mar-2013	31-Mar-2012
	₹	₹
Salaries and incentives	11,916,238	16,069,597
Contributions to Provident Fund, FPF and other Funds	783,859	277,610
Gratuity fund contributions	24,822	1,848,983
Leave Encashment expenses	429,149	1,168,985
Staff welfare expenses	141,431	459,868
Total	13,295,499	19,825,043

The Accounting Standard - 15 "Employee Benefits" is issued under Companies (Accounting Standards) Rule, 2006. In accordance with the above standard, the obligations of the company, on account of employee benefits, based on independent actuarial valuation, is accounted for in the books of account. The company has classified the various benefits provided to employees as under:

I. Defined Contribution Plans:

(a) Provident Fund / Employees' Pension Fund

During the year, the company has recognized the following amounts in the Profit & Loss Account:

Particulars	As At	As At
	31/03/2013	31/03/2012
Employer's Contribution to Provident Fund/Employee's Pension Fund	783859.00	277610.00

II. Defined Benefit Plans - Non Funded

(a) Provision for Gratuity Liability
 (b) Provision for Leave Encashment

In accordance with Accounting Standard- 15, relevant disclosures are as under:

(A) Changes in Defined Benefit Obligation:

(₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	2012-13	2011-12	2012-13	2011-12
Defined Benefit Obligation as at 01.04.2012	38.67	40.09	6.51	7.69
Current Service Cost	3.75	4.41	3.12	2.21
Interest Cost	3.29	3.24	0.55	0.62
Benefits Paid	(1.84)	-	(0.02)	(12.87)
Actuarial (gain) / loss on Obligations	(6.61)	(9.07)	0.80	8.86
Defined Benefit Obligation as at 31.03.2013	37.26	38.67	10.96	6.51

(B) Amount recognized in the Balance Sheet:

(₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	2012-13	2011-12	2012-13	2011-12
Defined Benefit Obligation as at 31st March	37.26	38.67	10.96	6.51
Fair Value of Plan Assets as at 31st March	-	-	-	-
Liability / (Asset) recognized in the Balance Sheet included in Current Liabilities and Provisions	38.67	40.09	6.51	7.69



N. K. Industries Limited

(C) Expenses recognized in the Profit & Loss Account:

(₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	2012-13	2011-12	2012-13	2011-12
Current Service Cost	3.75	4.41	3.12	2.21
Interest Cost	3.29	3.24	0.55	0.62
Net actuarial (gain) / loss recognized in the period	(6.61)	(9.07)	0.80	8.86
Total Expenses recognized in the P & L Account included in Contribution to Provident and Other Funds	0.42	(1.42)	4.48	11.69

(D) Actuarial Assumptions:

In accordance with Accounting Standard- 15, actuarial valuation as at the year end was performed in respect of the aforesaid Defined Benefit Plans based on the following assumptions:

	As At 31/03/2013	As At 31/03/2012
(a) Discount rate [per annum]	8.09%	8.09%
(b) Expected Retirement age of employees [years]	58Years	58Years
(c) Rates of leaving service – 3% (P.Y. 3%)	3%	3%
(d) Expected Increase in Salary – 5% (P.Y. 5%)	5%	5%
(e) Leave Availment Pattern, The balance leave is available for encashment on separation from the company.		
(f) The estimates of future salary increases, considered in the actuarial valuation, taken on account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.		

21 Finance Cost

Particulars	For the year ended on 31 Mar 2013	For the year ended on 31 Mar 2012
Interest expense	362,894	2,081,818
Other borrowing costs	158,043	95,505
Total	520,936	2,177,323

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22 Other Expenses

Particulars	For the year ended on 31-Mar-2013		For the year ended on 31-Mar-2012	
	₹	₹	₹	₹
Manufacturing Expenses				
Brokerage Expense	220,305	959,665		
Labour Charges	5,714,468	63,727,220		
Loading-Unloading Expense	41,868	2,083,650		
Power and Fuel	8,134,053	17,821,007		
Vat Reversal	388,000	7,554		
Repair to Plant and Machinery	2,456,592	2,794,159		
Rates and taxes, excluding, taxes on income.	2,858,519	1,612,142		
Consumption of Stores & Packing Materials	17,231,662	71,945,679		
Other Manufacturing Expenses	63,629	123,052		
	Total Manufacturing Expenses	37,109,096	161,074,127	
Administrative Expenses				
Godown Rent	1,000	3,400,812		
Telephone Expenses	386,831	597,161		
Professional Fees	5,500,294	4,179,631		
Auditors Remuneration	78,652	78,652		
Stationery and Printings	169,120	198,650		
Travelling Expenses	4,763,139	4,135,058		
Insurance	2,475,042	1,067,733		
Donation	25,000	255,011		
Membership Fees	833,483	1,699,410		
Repair and Maintenance - Others	1,074,171	1,357,358		
Security Services	687,827	1,376,132		
Vehicle Running-Repair Expense	871,152	1,098,404		
Other Admin Expenses	1,860,667	2,255,934		
Prior period expenses	37,703,001	128,760		
	Total Administrative Expenses	56,429,379	21,828,707	
Selling and Distribution Expenses				
Transportation Expenses	125,134	13,792,296		
Advertisement Expenses	20,000	50,460		
Sales Promotion Expenses	57,370	744,164		
Clearing Forwarding Expenses	1,654	1,286,158		
Sales Commission Expenses	346,540	691,437		
	550,698	16,564,515		
Provision for Doubtful Advances	4,143,263	36,153,740		
	98,232,436	235,621,089		

23 Exceptional Item

Particulars	For the year ended on 31-Mar-2013	For the year ended on 31-Mar-2012
	₹	₹
Waiver of Visnagar Nagrik Sahkari Bank Interest (See Note 25 (b))	26,802,735	-
	26,802,735	-



N. K. Industries Limited

24 Significant accounting policies

Basis of preparation of financial statements

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards issued under Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956, to the extent applicable, except in respect of export benefits and employee benefits.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

Fixed assets and depreciation/amortisation

Tangible fixed assets

Tangible fixed assets are stated at revalued amount less accumulated depreciation. Cost comprises purchase price, duties, levies and other directly attributable expenses of bringing the asset to its working condition for the intended use. Assets are revalued based on approved valuer's report.

Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

Advances paid towards acquisition of fixed assets and the cost of assets acquired but not ready for use as at the balance sheet date are disclosed under capital work-in-progress.

Cost incurred by the company in respect of leased assets is capitalized.

Assets costing individually Rs 5,000 or less are depreciated fully in the year of purchase.

Depreciation on tangible fixed assets is provided using the Straight Line Method at the rates specified under Schedule XIV to the Companies Act, 1956.

Depreciation on Plant & Machineries for expansion project and Vehicles is provided using the Written down Value Method at the rates specified under Schedule XIV to the Companies Act, 1956.

In respect of fixed assets purchased during the year, depreciation is provided on a pro-rata basis from the date on which such asset is ready to be put to use.

The Incremental depreciation on revalued amount of assets is withdrawn from revaluation Reserve and credited to profit and loss account.

Impairment of assets

In accordance with accounting standard 28 on 'Impairment of assets', the Company assess at each balance sheet date whether there is an indication that assets of the Company may be impaired. Where any such indication exists the company estimates the recoverable amount of the assets. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated at the higher of its net selling price and its value in use. An impairment charge is recognised whenever the carrying amount of the asset or cash-generating unit exceeds its recoverable amount.

Investments

Long-term investments are carried at cost less any other than temporary diminution in value, determined separately for each individual investment. Current investments are carried at lower of cost and fair value.

Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined under the first-in, first-out method and includes all costs incurred in bringing the inventories to their present location and condition. Finished goods and Work-in-progress include appropriate proportion of costs of conversion. By product is valued at net realizable value.

Revenue recognition

Revenue from Job Work is recognised on completion of work.

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer.

Export sales is recognised on the basis of date of shipment based on date of Bill of Lading.

Income from export benefits is accounted for based on reasonable certainty of receipt.

Employee Benefits

(i) Post-employment Benefits:

(a) Defined Contribution Plans:

The company has Defined Contribution Plans for post employment benefits, charged to Profit & Loss Account, in form of:

Provident Fund / Employee's Pension Fund administered by the Regional Provident Fund Commissioner,

(b) Defined Benefit Plans:

Unfunded Plan:

(i) The Company has Defined Benefit Plan for post employment benefits in the form of Gratuity for all employees.

(ii) The Company has Defined Benefit Plan for post employment benefits in the form of Leave Encashment for all employees.

Liability for the above Defined Benefit Plan is provided on the basis of actuarial valuation, as at the balance sheet date, carried out by independent actuary. The actuarial method used for measuring the liability is the Projected-Unit Credit Method.

(iii) The actuarial gains and losses arising during the year are recognized in the Profit & Loss Account for the year.

Foreign currency transactions

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The difference between the actual rate of settlement and the rate on the date of the transaction is charged or credited to profit and loss account.

In respect of monetary current assets and liabilities denominated in foreign currencies, the overall net gain or loss, if any, on conversion at the exchange rates prevailing on the date of the balance sheet is charged to revenue.

Taxation

Income tax expense comprises current tax expense and deferred tax expense/credit.

Current tax

Provision for current tax is calculated in accordance with the provisions of the Income-Tax Act, 1961 and is made annually based on the tax liability computed after considering tax allowances and exemptions.

Assets and liabilities representing current tax is disclosed on a net basis when there is a legally enforceable right to set off and where the management intends to settle the asset and liability on a net basis.

Deferred tax

Deferred tax liability or asset is recognised for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent there is a reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Earnings per share ('EPS')

Basic EPS is computed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti dilutive. The number of equity shares is adjusted for any share splits and bonus shares issued effected prior to the approval of the financial statements by the Board of Directors.

Contingencies and provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



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25 Other details to Balance Sheet

a Contingent Liabilities and Commitments

Particulars		As at	
		31-Mar-2013 (₹ in Lacs)	31-Mar-2012 (₹ in Lacs)
Contingent Liabilities			
a.	Claims against the Company, not acknowledged as debts (including interest and penalty)		
	-Sales tax	5423.55	5423.55
	-Other Claims (without considering interest liability)	1333.31	1333.31
	-Income tax	332.24	327.91
b.	Winding up petition pending against the company filed by Vemag Engg. Pvt. Ltd. for recovery of dues	17.38	17.38
c.	Storage Rent in respect of earlier year for storage of Oil	Not Ascertainable	Not Ascertainable
Commitments			
	Capital Commitments	-	-
	Other Commitments	-	-

b The Company has paid off the entire principal outstanding amount to The Visnagar Nagrik Sahkari Bank Ltd. (Under Liqui-dation) as per the Hon'ble High Court of Gujarat and Hon'ble Session Court's orders. As regards the payment of interest, application was considered by the Expert Committee appointed by the High Power Committee in terms of the OTS scheme to the Government of Gujarat for Co-operative Banks under liquidation. The Expert Committee erroneously considered the cut off date for Non Performing Asset of our N.K. Group of Accounts. The Company therefore filed a Special Civil Application (SCA) No.2714 of 2012. The High Court then appointed Chartered Accountant who had submitted their report to the High Court specifying NPA date as on 31-Mar-1998. The High Court therefore directed that both the sides to settle their accounts in terms of NPA date 31-Mar-1998. Based on this, The Bank has settled all the accounts and refunded the total amount of Rs. 1,73,47,601/- on 21-Dec-2012 inclusive of the share linking amount of Rs. 134.59 Lacs. Thus, dispute with the Bank is now fully settled.

c The amount of sale proceeds of the finished goods sold by the Consortium Bank, Bank of Baroda was deposited in the Central Bank of India by way of the Fixed Deposit as per the DRT's Order. The value of the sale proceeds was Rs. 2,29,62,260/- which became Rs. 4,49,39,812/- on account of addition of interest. The Company having settled all the banks' dues, filed an appeal in DRT to release the money deposited in the Central Bank of India. On due consideration, the Hon'ble DRT ordered the Central Bank of India to release the said FDR with interest. The Company has since received the amount of Rs.4,49,39,812/- from the Central Bank of India. Accordingly, the entire interest amount of Rs.2,19,77,552/- is credited to profit and loss account under other income in note no. 16.

d On having settled all the compromise dues of the banks and IDBI, the BIFR has disposed off our first reference Case no. 35/1999. It has, however, registered our subsequent references and appointed Canara Bank as an Operating Agent vide its order dated 1st March,2012 to make a Draft Rehabilitation Scheme for its consideration, which is pending.

e There was a Search & Seizure action U/S 132 of the Income Tax Act on 24.2.99. The Income Tax department had raised demand of Rs. 33.12 crores in the block assessment Order DT. 30.4.01. Subsequently, ITAT has given relief to the extent of Rs. 28.84 crores. The company's appeal before Hon. Gujarat High Court against addition confirmed by ITAT of Rs. 4.28 crores is admitted. Pending the disposal of appeal by Hon'ble High Court the provision for Income Tax of Rs.2.88 Crores on addition confirmed by ITAT was made during F.Y.2002-03 and provision of Rs. 1.27 crore of interest payable up to 31.03.2005 is made in the accounts. Adhoc payments made against the outstanding demands are adjusted against principal amounts. No provision is made for the interest payable, if any, on the outstanding demand for the period from 1st April, 2005 till date as the company is hopeful of getting favorable order from the High Court.

f The company has revalued assets on 31-03-2012 to reflect fair value of assets in books. The amount of revaluation of Rs.194.47 crore credited to Revaluation Reserve and debited to respective assets.

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- g No provision is made during the year for interest receivable on various advances amounting to Rs. 1171.60 Lacs (P.Y. Rs.1011.98) as the same are considered doubtful.
- h The Company is engaged in the business of manufacturing and selling the Refined Castor Oil and its derivatives. Thus there is solitary business segment of Oils. Therefore, segment wise information as required by AS-17 on "Segment Reporting" is not applicable.
- i The Company is making sincere efforts to recover the losses through more profitable business activities. Therefore accounts for the year have been prepared are going concern basis.
- j In the opinion of the management, there is no indication, internal or external, which could have the effect of impairing the value of assets to any material extent as at the balance sheet date requiring recognition in term of AS -28.
- k In the opinion of the Board, Current Assets including short term Loans and Advances are approximately of the value stated, if realized, in the ordinary course of the business. The provisions for depreciation and all known liabilities are adequate. There are no contingent liabilities other than stated.
- l Trade payables of Rs.1718.14 Crore (Rs.964.90Crores) includes Rs.1625.03Crores (P.Y. Rs.Nil) payable to third parties and Rs.Nil Crore (P.Y.Rs950.18Crore) payable to group concerns and trade receivables of Rs.1050.75 Crore (Rs.662.88 Crore) includes receivable from third parties of Rs.319.19Crores (P.Y.Rs.506.06Crore) and Rs.695.18 Crore (P.Y. Rs.127.30 Crore) receivable from group concerns towards transactions through National Spot Exchange Ltd (NSEL). The said balances as on date are subject to confirmation by respective parties and reconciliation/adjustments if any. The Balance amount of trade payables and receivables and other loans and advances are also subject to confirmation.
- m Prior period adjustment of Rs. 104.54 Crores is on account of certain purchase returns which were wrongly accounted during last financial year. Further, it also includes certain wrong recovery of expenses made from the customers (though it was not recoverable contractually) which were shown as sales during last financial year. This mistakes have been rectified during the year and the net difference has been debited to profit & loss account.
- n A Company has been buying and selling the goods on National Spot Exchange Limited (NSEL) through trading and clearing member, N.K. Proteins Limited (Group Company). NSEL suspended the trading on 31st July 2013 and has referred the matter for arbitration for recovery of outstanding amount from N.K. Proteins Limited, this company and other clients. The matter is pending with Bombay High Court. Further, income tax department carried out survey under section 133A on the company along with other group companies for investigating the transactions with NSEL. The investigation is pending with Income Tax Department. Further, the investigation by EOW is also in progress.
- o The Company entered into financial arrangement with NSEL through a broker, N.K.Proteins Ltd. by way of purchase and sales of various goods. Thus the company has purchased goods amounting to Rs.5255.73 Crore (P.Y. Rs. 5580.85 Crore) and has sold goods amounting to Rs.5065.05Crore (P.Y.Rs.5531.53Crore) through National Spot Exchange Ltd without physical delivery of goods. Therefore the net loss from the said transactions (including transaction charges levied by NSEL) has been shown as Trading Loss in the profit & loss accounts.



N. K. Industries Limited

26 Other Informations - Profit and Loss Statement

a Earnings per share

Particulars	For the year ended on 31-Mar-2013		For the year ended on 31-Mar-2012	
	₹	₹	₹	₹
Basic				
Profit attributable to equity shareholders		(2,830,756,360)		(783,680,053)
Nominal Value of equity share		₹ 10		₹ 10
Weighted average number of ordinary equity shares for Basic EPS	No.	6,009,900		6,009,900
Basic and Diluted EPS	₹	(471.02)		(130.40)

b Details of Payment to Auditors

Particulars	For the year ended on 31-Mar-2013		For the year ended on 31-Mar-2012	
	₹	₹	₹	₹
As an auditor				
for audit fees		56,180		56,180
for tax audit		₹ 22,472		₹ 22,472
Total		78,652		78,652

c Details of Prior period items

Particulars	For the year ended on 31-Mar-2013		For the year ended on 31-Mar-2012	
	₹	₹	₹	₹
Factory Misc. Expenses	-		18,207	
Financial Charges	1,259		-	
Freight & Ocroi - Others	(805,407)		-	
Legal & Professional	95,590		72,798	
Member Ship Fees	1,841		-	
Office Miscellaneous Expenses	16,432		35,755	
Repairs & Manaintenance	7,136		2,000	
Salary Expenses	8,245		-	
Secretorial Expenses	6,500		-	
Telephone & Datalink Exp	1,464		-	
Quality Rebate to Velani Oil Traders	38,369,941		-	
Total	37,703,001		128,760	

d Earnings in foreign currency Nil (Prev. Year Nil)

e Expenditure in foreign currency Nil (Prev. Year Nil)

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27 Related party disclosures

A List of related parties

Sr.	Name of related Party	Nature of relation
1	Adrenal Advertising & Promotions Pvt. Ltd.	Associated Company
2	AWN Agro Pvt. Ltd.	Joint Venture Company
3	N.K Flour Mills Ltd.	Associated Company
4	N.K.Infraventures P.Ltd	Associated Company
5	N.K.Oil Mills Pvt.Ltd	Associated Company
6	N.K.Proteins Ltd.	Associated Company
7	N.K.Roadways Pvt.Ltd.	Associated Company
8	Shanti Stock Holdings P.Ltd.	Associated Company
9	Tirupati Proteins Pvt.Ltd.	Associated Company
10	Tirupati Retails Pvt. Ltd.	Associated Company
11	N.K.Corporation	Associated Firm
12	Nimish K. Patel	Key Managerial Person
13	Nilesh K. Patel	Key Managerial Person
14	Ashwin P. Patel	Key Managerial Person
15	Rajiv M. Todi, Manager (Resigned from the Company)	Key Managerial Person
16	Sonal N. Patel	Relative of Key Managerial Person
17	Ashita N. Patel	Relative of Key Managerial Person
18	Neela A. Patel	Relative of Key Managerial Person
19	Suchita R. Todi	Relative of Key Managerial Person

B Details of transactions with related party (₹ in Lacs)

Sr	Name of party	Nature of Transaction	2012-13	2011-12
1	Ashwin P. Patel	Remuneration	6.00	6.00
2	AWN Agro Pvt. Ltd.	Deposit Given	1,500.00	-
3	AWN Agro Pvt. Ltd.	Purchases/ Services	231.20	27.95
4	AWN Agro Pvt. Ltd.	Sales	402.86	25,321.33
5	AWN Agro Pvt. Ltd.	Lease Rent Received	563.40	450.00
6	N. K. Proteins Ltd.	Purchases/ Services	2,376.18	7,932.16
7	N.K Flour Mills Ltd.	Loans Given	33.46	0.20
8	N.K Infraventures Pvt. Ltd.	Loans Given	0.54	4.59
9	N.K.Corporation *	Purchases/ Services	204,265.19	598,868.02
10	N.K.Corporation *	Sales	303,752.88	8,465.29
11	N.K.Oil Mills Pvt.Ltd	Loans Given	6.21	117.76
12	N.K.Proteins Ltd.	Sales	44,675.51	18,477.81
13	N.K.Roadways Pvt.Ltd.	Purchases/ Services	0.82	0.25
14	N.K.Roadways Pvt.Ltd.	Hire Charges Received	-	-
15	Nilesh K. Patel	Remuneration	0.60	0.60
16	Nimish K. Patel	Remuneration	0.60	0.60
17	Rajiv M. Todi, Manager	Remuneration	6.00	19.36
18	Shanti Stock Holdings Pvt.Ltd.	Loans Given	1.18	45.44
19	Tirupati Proteins Pvt.Ltd.**	Purchases/ Services	1,216.56	9,291.85
20	Tirupati Proteins Pvt.Ltd.**	Sales	28,896.54	9,356.95

* Represents purchase and sales through NSEL (refer note no.25N)

** Includes purchase and sales through NSEL (refer note no.25N)

C Details of Closing Balances - Receivable/(Payable) (₹ in Lacs)

Sr	Name of party	As at 31-Mar-2013	As at 31-Mar-2012
1	AWN Agro Pvt. Ltd.	401.38	806.68
2	N.K Flour Mills Ltd.	535.88	502.42
3	N.K.Corporation	45,816.64	(83,456.42)
4	N.K.Infraventures Pvt. Ltd.	48.12	47.58
5	N.K.Oil Mills Pvt.Ltd	320.39	314.17
6	N.K.Proteins Ltd.	16,344.06	11923.30
7	N.K.Roadways Pvt.Ltd.	100.66	0.68
8	Rajiv M. Todi, Manager	8.66	22.01
9	Shanti Stock Holdings P.Ltd.	103.08	101.9
10	Tirupati Proteins Pvt.Ltd.	8,398.38	(11,561.29)



N. K. Industries Limited

28 The Company has entered in to Joint Venture by equity investment in AWN Agro Pvt Ltd of 50% . The disclosure of Joint Venture investment as per AS-27 are as under. The Figures are given based on unaudited accounts.

Entity	Voting Rights	
	31-Mar-13	31-Mar-12
AWN AGRO PRIVATE LIMITED , INDIA	50%	50%
Other Information	(₹ in Lacs)	(₹ in Lacs)
Share of Assets	26509.68	25679.30
Share of Liabilities	28272.21	27277.28
Share of Gross Income	97469.15	58734.01
Share of Expenses	96123.23	62762.22
Share of Contingent Liabilities	Nil	Nil

The Company had given the factory building and plant on lease to AWN Agro Pvt. Ltd. The lease Agreement has been terminated with effect from 31st January 2013.

The Loss if any in the investments/other receivables and advances from joint venture company will be accounted in the year of settlement.

29 Micro, Small & Medium Enterprises

In the absence of information available with the Company about enterprises which are qualifying under the definition of Medium and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006, no disclosure is made as required under the Companies Act in respect of the following.

- a) Total outstanding dues of Micro enterprises and Small enterprises – Rs. Nil
Total outstanding dues of the Creditors other than Micro enterprises and Small enterprises Rs.Nil (Prev. Yr 4.36 Lacs)
- b) Yr 4.36 Lacs)

30 Prior period comparatives

The company has prepared financial statement as per revised schedule VI to the Companies Act 1956 and accordingly, the assets, liability Income and Expenditure of the previous year is regrouped/ reclassified to conform to the current year's presentation.

As per our report of even date attached.

For, Rajiv Shah & Associates

Chartered Accountants

(FRNo.108454W)

For and on behalf of the Board of Directors of

N.K.Industries Ltd.

sd/-

Rajiv C Shah

Partner

M.NO.043261

Place : Ahmedabad

Date : 30/09/2013

sd/-

Nimish K. Patel

Chairman & Managing Director

Place : Ahmedabad

Date : 30/09/2013

sd/-

Nilesh K. Patel

Managing Director



N. K. Industries Limited

**N.K.INDUSTRIES LIMITED
REGISTERED OFFICE:
7th Floor, Popular House, Ashram Road, Ahmedabad-380 009**

**ATTENDANCE SLIP
25TH ANNUAL GENERAL MEETING**

Regd. Folio No. _____

I certify that I am registered Shareholder/ Proxy for the registered Shareholder of the Company.

I hereby record my presence at the 25TH ANNUAL GENERAL MEETING of the Company at 7th Floor, Popular House, Ashram Road, Ahmedabad -380 009 on Wednesday, the 30th day of October, 2013 at 4.00 p.m.

Member's/Proxy's Name in
BLOCK Letters

Member's/Proxy's
Signature.

Note : Please fill this attendance slip and hand it over at the ENTRANCE OF THE VENUE.

----- (TEAR HERE) -----

**N.K.INDUSTRIES LIMITED
REGISTERED OFFICE:
7th Floor, Popular House, Ashram Road, Ahmedabad-380 009.**

FORM OF PROXY

I\We _____
of _____ in the District of _____
being a Member\Members of the above named Company hereby appoint
of _____ in the district of _____ or
failing him _____ of _____ in the District
of _____ as my\our proxy to vote for me\us on my\our behalf at the 25th ANNUAL
GENERAL MEETING of the Company to be held on Wednesday, 30th day of October, 2013 and at any
adjournment thereof.

Signed this _____ day _____ 2013.

Affix
15 Paise
Revenue
Stamp

Signature _____

Reg. Folio No. _____

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