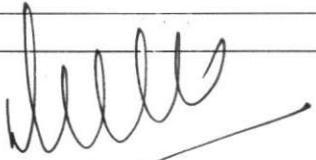
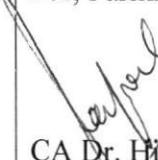


## FORM B

### (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	<b>N K INDUSTRIES LIMITED</b>
2.	Annual Financial Statement for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit Qualification	Qualified
4.	Frequency of qualification	<ul style="list-style-type: none"><li>1. Repetitive in respect of observation 'A' as stated in item no. 5 below from the financial year ended on 31<sup>st</sup> March, 2013</li><li>• Appeared for the first time in respect of observation 'A1' as stated in item no. 5.</li><li>2. Appeared for the first time in respect of observation 'B' as stated in item no. 5.</li></ul>
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the director's report:	<p><b>Observation:-</b></p> <p>A. Regarding transactions of the Company through trading and clearing member with NSEL.</p> <p>Refer note no 32 of the financial statement and management response at point no. 1. under the head "Auditors" of the Directors' Report at page no.11 of the Annual Report.</p> <p>A1. Regarding notice issued by EOW under the Maharashtra Protection of Interest of Depositors (in financial establishments) – Act, 1999 (MPID) Act.</p> <p>Refer note no. 32 of the financial statements and management response at point no. 1 under the head "Auditors" of the Directors' Report at page no. 11 of the Annual Report.</p> <p>B. Regarding proceedings initiated by the Directorate of Enforcement under the Prevention of Money Laundering Act, 2002</p> <p>Refer note no. 33 of the financial statements and management response at point no. 2 under</p>

		the head "Auditors" of the Directors' Report at page no.11 of the Annual Report.
6.	Additional comments from the board/audit committee chair:	There are certain additional observations made by the Auditors in their report under the head "Emphasis of Matter". The Directors' of the Company have properly replied to such observations in their Report under the head "Auditors" at page no. 11 & 12 of the Annual Report.
7.	To be signed by:- <ul style="list-style-type: none"><li>• CEO/Managing Director</li></ul>	 (Nilesh K. Patel)
	<ul style="list-style-type: none"><li>• CFO</li></ul>	 (Ashvinbhai P. Patel)
	<ul style="list-style-type: none"><li>• Audit Committee Chairman</li></ul>	 (Jaimin V. Modi)
	<ul style="list-style-type: none"><li>• Auditor of the Company</li></ul>	For, Parikh & Majmudar  CA Dr. Hiten Parikh Partner M. No.040230 Ahmedabad  PARIKH & MAJMU DAR M.No. 040230 FRN No. 107525W CHARTERED ACCOUNTANTS

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



Nobody Understands Castor Oil Like Us...



**N. K.  
Industries Ltd.**

27<sup>th</sup>  
ANNUAL REPORT  
2014 - 2015



**27<sup>TH</sup> ANNUAL REPORT-2014-15**

CIN L91110GJ1987PLC009905

**BOARD OF DIRECTORS:**

Shri Nimishbhai K. Patel DIN:00240621	Chairman & Managing Director
Shri Nilesh K. Patel DIN:00244115	Managing Director
Shri Hasmukhbhai K. Patel DIN:06587284	Whole-Time Director
Shri Jayeshkumar D. Thakkar DIN:01247039	Independent Director (Resigned w.e.f 07/05/2015)
Shri Jaimin V. Modi DIN:00113689	Independent Director
Ms. Kinjal B. Patel DIN:06896114	Independent Director (Resigned w.e.f 26/02/2015)
Dr. Bharat J. Patel DIN:00944269	Independent Director
Dr. Neha Modi DIN:07171193	Independent Director (Appointed w.e.f. 23/05/2015)

**AUDITORS**

M/s Parikh & Majmudar,  
Chartered Accountants,  
Ahmedabad

**REGISTERED OFFICE**

7<sup>th</sup> Floor, Popular House,  
Ashram Road,  
Ahmedabad - 380 009

**FACTORY**

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

*Shareholders are requested to bring their copies of Annual Report at the Annual General Meeting as the same will not be distributed in the meeting hall.*

**BANKERS**

State Bank of India  
HDFC Bank Limited  
DENA Bank  
Bank of Baroda  
Axis Bank  
The Mehsana Urban Co-operative Bank  
The Vysya Bank Limited

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## NOTICE

**NOTICE** is hereby given that the **27<sup>th</sup> Annual General Meeting** of the members of **N. K. Industries Limited** will be held on Saturday, the 26<sup>th</sup> day of September, 2015, at 4.00 p.m. at ATMA Hall, Ashram Road, Navrangpura, Ahmedabad- 380009 to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt Audited Balance Sheet as at 31st March, 2015 and the Profit and Loss Statement for the year ended on that date together with all annexures and attachments thereto including the Auditor's Report and Directors' Report comprising of Secretarial Audit Report thereon and to pass following resolution, as an Ordinary Resolution:

**"RESOLVED THAT** the Audited Balance Sheet as on 31st March, 2015 and the Profit and Loss Statement for the financial year ended on 31st March, 2015 together with all annexure and attachment thereto including the Directors' Report comprising of Secretarial Audit Report and the Auditor's Report of the Company for the Financial year 2014-15, which have already been circulated to the Members and as laid before this meeting, be and the same are hereby approved and adopted."

2. To appoint a Director in place of Mr. Hasmukh K. Patel (DIN: 06587284) as a Director, who retires by rotation and being eligible has offered himself for re-appointment and to pass the following resolution as an Ordinary Resolution.

**"RESOLVED THAT** the retiring Director, Mr. Hasmukh K. Patel (DIN: 06587284), be and is hereby reappointed as a Director of the Company, liable to retire by rotation."

3. To ratify appointment of Auditors of the Company to hold office from the conclusion of this Annual General Meeting i.e. 27<sup>th</sup> AGM till the conclusion of the 28<sup>th</sup> Annual General Meeting (the said Auditors were appointed for a period of 5 years at the 26<sup>th</sup> AGM to hold office till the conclusion of 31<sup>st</sup> AGM of the Company) and to fix their remuneration and to pass following resolution, as Ordinary Resolution:

**"RESOLVED THAT** pursuant to provisions of Section 139 of the Companies Act, 2013 and rules made thereunder the appointment of M/s. Parikh and Majmudar, Chartered Accountants be and is hereby ratified as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting i.e. 27<sup>th</sup> AGM till the conclusion of the 28<sup>th</sup> Annual General Meeting (i.e. for a period of 1 year).

**"RESOLVED FURTHER THAT** the Auditors be paid remuneration ₹ 1 Lac p.a. (excluding out of pocket expenses and applicable rate of Service tax)"

### **SPECIAL BUSINESS:**

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

**"RESOLVED THAT** pursuant to provisions of Section 14 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the Rules framed there under, a new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of, all the existing articles thereof.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, Mr. Nimish K. Patel and Mr. Nilesh K. Patel, Directors of the Company be and are hereby jointly and/or severally authorised on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies, Gujarat".

5. Payment of remuneration to Mr. Nimish K. Patel, Chairman and Managing Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, approval of the Company be and is hereby accorded for payment of remuneration to Mr. Nimish K. Patel as the Chairman & Managing Director of the Company at a remuneration of ₹5 Lacs p.m. and other perquisites, subject to the limits as prescribed by Section II of Part II of Schedule V of the Companies Act, 2013 and other limits as may be prescribed by the Central Government from time to time during the tenure of his appointment.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to alter and vary the amount of remuneration from time to time which shall be within the scope of Section II of Part II of Schedule V of the Companies Act, 2013 or any amendments thereto or any re-enactment thereof and also authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

6. Payment of remuneration to Mr. Nilesh K. Patel, Managing Director of the Company and in this regard to consider and if thought fit the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, approval of the Company be and is hereby accorded for payment of remuneration to Mr. Nilesh K. Patel as the Managing Director of the Company at a remuneration of ₹5 Lacs p.a. and other prequisites, subject to the limits as prescribed by Section II of Part II of Schedule V of the Companies Act, 2013 and other limits as may be prescribed by the Central Government from time to time during the tenure of his appointment.



**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to alter and vary the amount of remuneration from time to time which shall be within the scope of Section II of Part II of Schedule V of the Companies Act, 2013 or any amendments thereto or any re-enactment thereof and also authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

7. To approve the appointment and fix remuneration of Cost Auditors for the financial year ending March 31, 2016 and in this regard, to consider and if thought fit to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid the remuneration of ₹50,000 (excluding out of pocket expenses and applicable rate of Service tax).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution."

8. Approval for entering into related party transactions by the Company and in this regard to consider and, if thought fit, to pass the following resolution as a Special Resolution

**"RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to enter into the related party transactions by the Company with the respective related parties and for the maximum amounts per annum, as mentioned herein below:

Nature of transaction as per Section 188 of the Companies Act, 2013	Name of Director/ KMP who is interested and nature of their relationship	Name of the related party	Estimated Maximum Amount
Job Work Arrangement/Purchase /Sales of various goods	Mr. Nimish K Patel, Chairman and Managing Director, Mr. Nilesh K. Patel, Managing Director, Dr. Bharat Patel of the Company are common directors.	N. K. Proteins Private Limited	₹ 100 crores

**"RESOLVED FURTHER THAT** the Board of Directors of the Company and/or a Committee thereof, be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transactions with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company."

9. To consider and if thought fit to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to provisions of Section 186 of the Companies Act, 2013 and the Rules made thereunder and all other applicable provisions, if any for the time being in force, subject to the provisions of the Memorandum and the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company, to make loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with loan(s) made to and to make investments by way of subscription, purchase or otherwise in Shares, Debentures and/or any other Securities of other Body Corporate, whether Indian or Overseas and all other loan, investment, guarantee or security covered by Section 186 of the Companies Act, 2013, as they may, in their absolute discretion, deem beneficial and in the interest of the Company, in excess of 60% of the paid up share capital, free reserves and security premium of the Company or 100% of the Free Reserves and security premium of the Company whichever is more, as prescribed under section 186 of the Companies Act, 2013 from time to time, in one or more tranches, up to a overall maximum outstanding amount of ₹ 250 Crores only (Rupees Two Hundred and Fifty Crores only).

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do and perform from time to time, all such acts, deeds, matters and things as may be necessary, expedient and desirable in respect of the above investments/ loan/ guarantee/ security, including finalization of the time, the amount and other terms and conditions of investments/loan/guarantee/ security and to take such steps as may be necessary or desirable to give effect to this resolution."

**By Order of the Board of Directors**

Sd/-

Nimish K. Patel  
Chairman & Managing Director  
DIN :00240621

Date : 8<sup>th</sup> July, 2015

Place : Ahmedabad

Registered Office:

7<sup>th</sup> Floor, Popular House,  
Ashram Road, Ahmedabad – 380 009  
L91110GJ1987PLC009905  
Email: nkil@nkproteins.com



**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.  
**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility of voting through electronic means. Instructions and other information relating to e-voting are given in this Notice under No. 10.
3. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a Certified Copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
5. Members are requested to bring attendance slip along with their copy of Annual Report to the meeting.
6. In case of joint holders attending the meeting, only such holder who is higher in the order of names shall be entitled to vote.
7. The Share Transfer Books and Register of Members of the Company will remain closed from Saturday, the 19<sup>th</sup> September, 2015 to Saturday, the 26<sup>th</sup> September, 2015, both days inclusive.
8. Members are advised to avail nomination facility as well as Dematerialization facility with the Company.
9. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and clause 35B of the listing agreement, the Company is pleased to provide to its facility to the exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-voting')

**10. The instructions for shareholders voting electronically are as under:**

- i) The voting period begins on 23<sup>rd</sup> September, 2015 at 9.00 a.m. IST and ends on 25<sup>th</sup> September, 2015 at 5.00 p.m. IST. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date 19<sup>th</sup> September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii) Click on Shareholders.
- iv) Now Enter your User ID
  - a. For CDSL : 16 digits beneficiary ID,
  - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Date of Birth	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the Date of Birth or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>



viii) After entering these details appropriately, click on "SUBMIT" tab.

ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.

xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii) Note for Non – Individual Shareholders and Custodians:

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

#### **In respect of Item No. 4:**

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association of the Company need to be re-aligned as per the provisions of the new Act.

The Board of Directors at its meeting held on 23<sup>rd</sup> May, 2015 decided to incorporate/ substitute/ alter certain provisions as per the Companies Act, 2013. As this would result in a number of changes in the existing Articles of Association of the Company, it was desirable to adopt a new set of Articles of Association from in place of and in exclusion to the existing Articles of Association of the Company. The new set of Articles of Association to be substituted in place of the existing Articles of Association of the Company that are based on Table "F" of Schedule I of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company.

The proposed new draft Articles of Association is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors, Key Managerial Personnel of Company and their relatives are in any way, deemed to be concerned or interested financially or otherwise in the Special resolution as set out at Item No. 5 of the Notice.

The Board recommends the resolution as set out at Item No. 4 of the Notice for approval by the shareholders.



## N. K. Industries Ltd.

### In respect of Item No. 5:

The Board of Directors of the Company at its meeting held on 8<sup>th</sup> July, 2015 on the recommendation as received from the Nomination & Remuneration Committee of the Company decided to remunerate Mr. Nimish K. Patel, Chairman & Managing Director of the Company within the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 or as may be prescribed by the Central Government from time to time.

The said resolution requires approval of members in terms of provisions of Section 196 and 197 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Mr. Nimish K. Patel and Mr. Nilesh K. Patel are interested in the said resolution.

Except this no other Director or Key Managerial Personnel or their relatives are concerned or interested in this resolution except to the extent their respective shareholding in the Company.

The Board recommends this resolution to be passed by way of Special Resolution.

### In respect of Item No. 6:

The Board of Directors of the Company at its meeting held on 8<sup>th</sup> July, 2015 on the recommendation as received from the Nomination & Remuneration Committee decided to remunerate Mr. Nilesh K. Patel, Managing Director of the Company within the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 or as may be prescribed by the Central Government from time to time.

The said resolution requires approval of members in terms of provisions of Section 196 and 197 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Mr. Nimish K. Patel and Mr. Nilesh K. Patel are interested in the said resolution.

Except this no other Director or Key Managerial Personnel or their relatives are concerned or interested in this resolution except to the extent their respective shareholding in the Company.

The Board recommends this resolution to be passed by way of Special Resolution.

### In respect of Item No. 7:

The Board, on the recommendation of Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2016. The remuneration fixed is ₹50,000/- (excluding out of pocket expenses and applicable rate of Service tax).

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.7 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in this Resolution.

The Board recommends the Ordinary Resolutions as set out at Item No. 7 of the Notice for approval by the members.

### In respect of Item No. 8:

#### Approval for entering into Related Party Transactions by the Company

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and in case such contract or arrangement exceeds the limits as mentioned under rule 15 of the Companies (Meetings of Boards and its Powers) Rules, 2014, prior approval of the shareholders by way of a Special Resolution must be obtained.

In light of provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the aforesaid related party.

The support and services being extended by the Company to its other Group Companies are in relation to business enhancement and for building up robust practices and processes towards the benefit of all the Companies.

The respective agreements are entered on arm's length basis and all factors relevant to the respective contracts have been considered by the Board. The copies of the above mentioned existing agreements will be available for inspection by the members at the Registered Office of the Company during the normal business hours on all working days upto the date of Annual General Meeting of the Company.

The Board recommends the resolution set forth in item No. 8 for approval of the Members.



Mr. Nimish K. Patel, Mr. Nilesh K. Patel and Dr. Bharat J. Patel are interested in the said resolution, being the Directors of the contractor Company.

Except this no other Director or Key Managerial Personnel or their relatives are concerned or interested in this resolution except to the extent their respective shareholding in the Company.

**In respect of Item No. 9:**

As you are aware that the Company is required to make loans to various parties and may also provide guarantee or security in respect of borrowing made by various persons.

As the growth in the levels of operations is also expected to increase in view of the same, it is expected that the total amount of loans and investments made by the Company together with loans/investments/guarantees/securities to be made in future to Bodies Corporate may exceed the limits prescribed under Section 186 of the Companies Act, 2013 and also the maximum limit which was approved by the members in the Annual General Meeting for the year 2013-14.

As per the provisions of Section 186 of the Companies Act, 2013 your Company can make loan, investments, give any guarantee or provide security to Bodies Corporate in excess of 60% of the paid up capital and free reserves or 100% of free reserves whichever is more, only with the prior approval of shareholders of by a Special Resolution.

It is proposed to have authorization of the members for the overall outstanding limit of ₹ 250 Crores comprising of outstanding loan, investment, guarantee or security excluding the loan, investment which are otherwise exempt from the applicability of Section 186 of the Companies Act, 2013.

The Register of Inter-Corporate loans and investments containing the details of loans, investments etc. already made by the Company is open for inspection during the office hours on any working day at the Registered Office of the Company upto the date of Annual General Meeting of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in this Resolution.

The Board recommends this resolution to be passed as Special Resolution.

**By Order of the Board of Directors**

**Date : 8<sup>th</sup> July, 2015**  
**Place : Ahmedabad**

**Sd/-**  
**Nimish K. Patel**  
**Chairman & Managing Director**  
**DIN:00240621**

**Details of Directors seeking Re-appointment at Annual General Meeting**

Particulars	Mr. Hasmukhbhai K. Patel
Date of Birth	14/12/1954
Date of Appointment	01/06/2013
Qualifications	SSC (Matric)
Expertise in specific functional areas	Mr. Hasmukh K. Patel has a rich managerial experience of more than two decades in the field of edible oil industry. He is versatile in handling various areas of management in the said industry.
Directorship held in other companies	-
Number of membership/chairmanship held in other companies	NA
Number of shares held in the Company	Nil



**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting their 27<sup>th</sup> Annual Report on the business and operations of the N. K. Industries Limited and the accounts for the Financial Year ended March 31, 2015.

**OVERVIEW OF THE ECONOMY**

Castor Oil industry is playing important role in strengthening the "Make-in-India" and "Clean India" goals laid down by our Hon'ble Prime Minister. Castor oil is a vegetable oil but not an edible oil and its usage is mainly for Industrial applications replacing the crude oil and Lignite/Coal – thus not only assisting "Clean India" but creating a "Green and better World".

**FINANCIAL RESULTS**

(₹ in Lacs)

<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
Net Sales	<b>6709.82</b>	35427.48
Other Income	<b>86.02</b>	280.82
Total Income	<b>6795.84</b>	35708.3
Total Expenditure	<b>6825.13</b>	35956.08
Profit / (Loss) before Tax & Depreciation	<b>(29.29)</b>	(247.78)
Deduct: Depreciation	<b>2422.37</b>	472.29
Less: Provision for Taxation	-	-
Profit / (Loss) before Interest & Exceptional Items	<b>(2451.66)</b>	(720.07)
Finance Cost	<b>12.99</b>	27.86
Profit / (Loss) before Exceptional Items	<b>(2464.65)</b>	(747.93)
(Add)/ Less: Exceptional Items	-	4257.52
Profit / (Loss) before Prior Period Items and Tax	-	(5005.46)
Deduct: Prior Period Adjustment (Taxation)	-	-
Profit / (Loss) before Tax for the year	<b>(2464.65)</b>	(5005.46)
(Add)/ Less: Deferred Tax	-	-
Profit / (Loss) after Tax	<b>(2464.65)</b>	(5005.46)

**OPERATIONS**

During the year, the Company continued to manufacture goods on the job work as in previous year as the main activity. The Company's turnover decreased to ₹ 6709.82 Lacs from ₹ 35427.48 Lacs. After providing for depreciation of ₹ 2422.36 lacs, there was loss in the current year amounting to ₹ 2464.65 Lacs as against loss of ₹ 5005.46 Lacs in the previous year.

The Company still continues as a Sick unit. Further it has submitted a Draft Rehabilitation Scheme (DRS) to Canara Bank, Operating Agency (OA). The Board for Industrial Finance and Reconstruction will examine the said DRS and finalise the same after submission of viability report by Canara Bank (OA).

**SUBSIDIARY COMPANIES**

The Company does not have any subsidiary. Details pertaining to Joint Venture Company as per Section 129(3) of the Companies Act, 2013 is marked and annexed herewith as "Annexure D-1".

**SHARE CAPITAL**

The paid up Equity Share Capital of the Company as at March 31, 2015 stood at 60,099,000. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2015, none of the Directors of the Company hold any instruments convertible into equity shares of the Company.

**DIVIDEND AND RESERVES**

Your Directors express their inability to recommend any dividend for the year 2014-15 owing to accumulated losses of the Company. In view of this, your Company is unable to transfer any funds to the Reserves and Surplus Account.

**FIXED DEPOSITS:**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

**BOARD DIVERSITY**

The Company recognizes and embraces the benefits of having a diverse Board of Directors and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. The Board of Directors has also adopted a policy on Board Diversity which sets out the approach to diversify the Board of Directors. The Board Diversity Policy is available at our website: <http://www.nkindustriesltd.com/Governance.html>.



**DIRECTORS:**

In accordance with the provisions of Section 152 of the Companies Act and Articles of Association, Mr. Hasmukh K. Patel (DIN: 06587284) shall retire by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting of the Company.

During the year under review the Company appointed Mr. Jaimin Modi, Mr. Jayesh D. Thakkar w.e.f 01/04/2014 and Dr. Bharat Patel, Ms. Kinjal Patel w.e.f 16/07/2014. During the year Mr. Hasmukh K. Patel was also appointed as Whole Time Director of the Company w.e.f 01/06/2014.

Further, Ms. Kinjal Patel (DIN: 06896114) has ceased to be a Director of the Company on account of her resignation w.e.f. 26<sup>th</sup> February, 2015. The Board hereby places on record its sincere thanks and gratitude for the valuable contribution made by Ms. Kinjal Patel towards the Company during her tenure as an Independent Director.

**DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declaration from each Independent Director of the Company under section 149 (7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**BOARD EVALUATION**

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that the formal annual evaluation needs to be made by Board of its own performance and that of its Committees and individual Directors. Schedule IV of the Companies Act, 2013 states that performance evaluation of the Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The evaluation of all the Directors and the entire Board was conducted based on the criteria and framework adopted by the Board.

Further, the Board also evaluated the performance of various committees of the Board separately.

**COMMITTEES ON BOARD**

Currently, the Board has four committees i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. All committees constitute proper composition of Independent Directors as mentioned in provisions of Clause 49 of Listing Agreement and relevant provisions of Companies Act, 2013.

<b>Name of the Committee</b>	<b>Composition of the Committee</b>	<b>Highlights of duties, responsibilities and activities</b>
Audit Committee	Shri Jaimin Modi (Chairman) Shri Nilesh K. Patel Shri Jayesh D. Thakkar (upto 07/05/2015) Dr. Bharat J. Patel (w.e.f 14/05/2015)	<ul style="list-style-type: none"> <li>• All recommendations made by the Audit Committee during the year were accepted by the Board</li> <li>• The Company has adopted the Vigil Mechanism for Directors and employees to report concerns about unethical behavior, actual and suspected fraud or violation of Companies Code of Conduct and Ethics.</li> <li>• In accordance with the requirements of the Listing Agreement, the Company has formulated policies on related party and are available on our Website: <a href="http://www.nkindustriesltd.com/vigilmechanism.html">http://www.nkindustriesltd.com/vigilmechanism.html</a>.</li> </ul>
Nomination and Remuneration Committee	Shri Jaimin Modi (Chairman) Shri Jayesh D. Thakkar (upto 07/05/2015) Ms. Kinjal B. Patel (upto 26/02/2015) Mr. Nimish K. Patel (w.e.f. 14/05/2015) Dr. Bharat J. Patel (w.e.f 14/05/2015)	<ul style="list-style-type: none"> <li>• In order to ensure the Independence of the Independent Directors, directors are directly been recruited by the committee and no other service is been provided to the Company or its Management except specified in the terms and conditions of appointment.</li> <li>• The Committee has framed the Nomination and Remuneration Policy and the same is placed on our Company's website <a href="http://www.nkindustriesltd.com/Governance.html">http://www.nkindustriesltd.com/Governance.html</a></li> </ul>
Stakeholders Relationship Committee	Shri Jaimin Modi (Chairman) Shri Jayesh D. Thakkar (upto 07/05/2015) Shri Hasmukh K. Patel Ms. Neha Modi (w.e.f. 23/05/2015)	<ul style="list-style-type: none"> <li>• The Committee reviews and ensures to redress investor grievances.</li> <li>• The Committee noted that all the grievances of the shareholders have been resolved.</li> </ul>
Corporate Social Responsibility Committee	Dr. Bharat J. Patel (Chairman) Shri Nimish K. Patel Shri Jayesh D. Thakkar (upto 07/05/2015) Ms. Neha Modi (w.e.f. 23/05/2015)	<ul style="list-style-type: none"> <li>• The Board has laid out the Company's policy on Corporate Social Responsibility (CSR) but due to inadequate profit, the Company was unable to carry out any activities.</li> <li>• The CSR policy is available on our Company's website <a href="http://www.nkindustriesltd.com/Governance.html">http://www.nkindustriesltd.com/Governance.html</a></li> </ul>



**DIRECTORS' RESPONSIBILITY STATEMENT:**

In terms of Section 134 (5) of the Companies Act, 2013, the Directors would like to state that:

- i) In the preparation of the annual accounts for the year ending March 31, 2015, the applicable Accounting Standards have been followed.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review.
- iii) The Directors have 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 have prepared the annual accounts on a going concern basis.
- v) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) The Directors have devised proper system to ensure compliance with the provisions of all applicable Laws and that such system were adequate and operating effectively.

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

The details of the number of meetings of the Board held during the financial year 2014-15 forms part of the Corporate Governance Report and detailed information is provided therein. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

**KEY MANAGERIAL PERSONNEL**

During the year under review, the Company has appointed the following persons as Key Managerial Personnel:

<b>Sr. No.</b>	<b>Name of the Person</b>	<b>Designation</b>	<b>Date of appointment</b>
1	Mr. Ashwin Patel	CFO	01/06/2014
2	Mr. Hasmukh K. Patel	WTD	01/06/2014
3	Ms. Monica Surjani	CS	01/01/2015

**CORPORATE GOVERNANCE**

The Company is in compliance with the Securities Exchange Board of India (SEBI's) guidelines on the Corporate Governance. The Company has also incorporated various internal policies such as Whistle Blower Policy, Code of Conduct and Ethics and others. The Corporate Governance which forms an integral part of Annual Report, are set out as separate "**Annexure A**", together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORTS**

In terms of the Clause 49 of the Listing Agreement, Management Discussion and Analysis is set out in the Annual Report as "**Annexure B**".

**EXTRACTS OF ANNUAL RETURN**

The details forming part of the extracts of Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as "**Annexure-C**" and forms integral part of this Report.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company was unable to contribute the funds due to huge losses in the previous years as well as in the current year. The Company is striving to make good profit in the coming years and the Board of Directors of the Company assures to contribute funds in future.

**VIGIL MECHANISM**

The Company has a Vigil Mechanism to report genuine concerns or grievances. The Vigil Mechanism has been posted on the Website of the Company <http://www.nkindustriesltd.com/vigilmechanism.html>.

**NOMINATION AND REMUNERATION POLICY**

The Board of Directors of the Company has framed a policy which lays down framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of Company. This policy also lays down criteria for selection and appointment of Board Members. The Nomination and Remuneration Policy of the Company is available at the website of the Company.



#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any loans or guarantees during the year under review within the purview of section 186 of the Companies Act, 2013. The details of the investments made by the Company are given in the notes to the financial statements.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUBSECTION (1) OF SECTION 188**

The details of related party transactions entered into by the Company are provided in Form AOC-2 given as "**Annexure D-2**" of Board's Report. Further, there are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. The Company has developed a Related Party Transactions Policy through Standard Operating Procedures for the purpose of identification and monitoring of such transactions.

All the related party transactions are placed before the Audit Committee as also before the Board for approval. The policy on Related Party Transactions as approved by the Board of Directors has been placed on the Website of the Company.

#### **PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

The Company has received Attachment Order dated 22/04/2015 from the Income Tax Department with respect to the attachment of the following immovable property:-

1. 803, Manas Complex, (New Nita Appt. Owners Association) Opp: Star India Bazaar, Nr. Jodhpur Cross Road, Satellite, Ahmedabad – 380 0015.
2. 603, Manas Complex, (New Nita Appt. Owners Association) Opp: Star India Bazaar, Nr. Jodhpur Cross Road, Satellite, Ahmedabad – 380 0015.

#### **AUDITORS**

##### **i. Statutory Auditors**

M/s Parikh and Majmudar, Chartered Accountants, (Firm Registration No: 107525W), were appointed as the Statutory Auditors of the Company for a consecutive period of 5 years from 26<sup>th</sup> AGM till the conclusion of 31<sup>st</sup> AGM subject to ratification at each AGM.

The Company has obtained from them written consent and a certificate to the effect that ratification of their appointment if made at the ensuing AGM will be in accordance with the provisions of Section 139 of the Companies Act, 2013 and such conditions as may be prescribed.

The members are requested to consider the matter of ratification of appointment of Auditors and also to fix their remuneration.

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

- i. National Spot Exchange Limited (NSEL) has served a notice to N. K. Proteins Private Limited (Formerly known as 'N. K. Proteins Limited') who was a Trading and Clearing Member at NSEL and N. K. Industries Limited was only a client Company of Trading Member i.e. N. K. Proteins Limited. As regards, the recovery proceedings initiated by NSEL against the Trading and Clearing Member viz. N. K. Proteins Private Limited, the matter is subjudice and is still pending before the respective authorities.

Further, the Economic Offence Wing of Mumbai Police (EOW) has issued a notice securing attachment against which the Company has received stay from the Hon'ble High Court of Gujarat. The matter is subjudice.

- ii. With respect to point no. 2 of qualified opinion of Auditors Report, the Company has filed its detailed response with Directorate of Enforcement of Government of India and the matter is subjudice.

In addition to the above, the Auditors have made observations under the head "Emphasis of Matter", reply to the said observations are as under:-

- i. The Company still continues to be a Sick Unit as the Company has incurred huge losses in the past years and the net worth of the Company is negative. The Board of Directors has already made reference to the Board for Industrial Finance and Reconstruction (BIFR) and BIFR has appointed Canara Bank as Operating Agency vide its order dated 1<sup>st</sup> March, 2012. Further, the Company has submitted a Draft Rehabilitation Scheme (DRS) to Canara Bank, (OA). The BIFR will examine the said DRS and finalise the same after submission of viability report by Canara Bank (OA).
- ii. As regards winding up petition filed by M/s. Vemag Engineering Pvt. Ltd. against the Company, the said petition is pending before Hon'ble Gujarat High Court and no decision/order has been made in this regard till date.



## N. K. Industries Ltd.

- iii. During the year under review, the Income Tax Department has raised a demand of ₹150.49 crores on the Company for the Assessment Year 2011-12. The said matter being disputed is still pending before the Income Tax Authorities. In this regard, the Income Tax Authorities have also attached the properties of the Company against the said demand as mentioned by the Auditors in their Report.
- iv. As explained by the Auditors in their report, the demand raised by the Sales Tax Authorities is disputed and the Company has shown the said liability as Contingent Liability under Note No. 24 of the notes forming part of the Accounts. In view thereof, the Company has not made any provision for the said disputed liability.
- v. The Company has received letter dated 19/12/2014 from the Registrar of Companies for technical scrutiny of Balance Sheet under Section 206 of the Companies Act, 2013. The Company has duly replied to all the queries raised by the Authority vide letter dated 12/01/2015.
- vi. As explained by the Auditors in their Report, the demand raised by the Income Tax Authorities under Section 132 of the Income Tax Act is disputed and presently pending before the Hon'ble High Court of Gujarat. Therefore, as the Company is hopeful of getting a favorable Order by the Court, no provision is made with regard to the interest payable on the disputed demand.
- vii. As also explained at point no. i above, the Company has filed a Draft Rehabilitation Scheme before the BIFR and a report from Canara Bank the Operating Agency is still awaited. The BIFR will examine the said DRS and finalise the Rehabilitation Scheme after submission of viability report by Canara Bank (OA)

### ii. Secretarial Auditor

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s Samdani Shah & Associates, Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "**Annexure E**" and forms an integral part of this Report.

There is an observation made by the Secretarial Auditors in their report for which the Board of Directors hereby give its comments/explanation as under:

The Board of Directors had noted the said delay and duly disclosed to the Stock Exchanges the Audited Financial Results for March, 2014 as soon as they were approved at the Board Meeting.

### COST AUDIT

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, Cost Audit has been duly carried out of the Cost Records relating to oil manufacturing unit every year.

The Board of Directors, on recommendation of the Audit Committee, has appointed M/s. N D Birla & Co., as Cost Auditors of the Company for the Financial Year 2015-16. As required under the Companies Act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening Annual General Meeting.

### INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Company has appointed Independent Internal Auditors, M/s. ADPRDP & Associates, Chartered Accountants to submit Internal Audit Report to the Audit Committee of the Board.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Auditor, Audit Committee undertakes corrective action, if any in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions, if any, thereon are presented to the Audit Committee of the Board.

### RISK MANAGEMENT POLICY

Pursuant to Section 134 (3) (n) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has framed Risk Management Policy to review Business Risk. The details of the Policy and its terms of reference are set out in the Corporate Governance Report forming part of the Boards report.

The Company is a BIFR Company and all its Net worth has been eroded. Presently the matter is pending with BIFR. The adverse decision of BIFR may affect the Company.

### PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is annexed herewith and marked as "**Annexure F**". Further, no employee of the Company was employed during the year drawing remuneration exceeding the limits as prescribed under Rule 5(2) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence, the information under Rule 5(2) is not applicable.



## **ENVIRONMENT AND SAFETY**

The Company is conscious of the importance of environmentally clean and safe operations. The Company is conducting operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

As required by the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated and implemented guidelines on prevention of sexual harassment at workplace with a mechanism of lodging and redressal of complaints. During the year under review, no complaints were reported to the Committee.

## **INDUSTRIAL RELATIONS**

The Company is committed to nurturing, enhancing and retaining top talent through superior Learning and Organizational Management. During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

## **STATUTORY INFORMATION**

### **i. Conservation of Energy:**

- a) Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- b) No specific investment has been made in reduction in energy consumption.
- c) As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.
- d) Since the Company does not fall under the list of industries, which should furnish this information in Form-A as annexed to the aforesaid Rules, the question of furnishing the same does not arise.

### **ii. Technology Absorption:**

Company's products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore, no technology absorption is required.

### **iii. Foreign Exchange Earnings and Outgo:**

During the period under review the foreign exchange earnings and outflow was as follows:

<b>Year 2014-15</b>	<b>Amount in ₹</b>
Foreign Earnings	1,47,32,588
Foreign Outflow	-

The Business Responsibility Reporting as required by Clause 55 of the Listing Agreement with the Stock Exchanges is not applicable to your Company for the financial year ending March 31, 2015.

### **iv. Material changes and commitments, if any, affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of the report**

The Company has received attachment order dated 22/04/2015 from the Income Tax Department on the following immovable property:-

1. 803, Manas Complex, (New Nita Appt. Owners Association) Opp: Star India Bazaar, Nr. Jodhpur Cross Road, Satellite, Ahmedabad – 380 015.
2. 603, Manas Complex, (New Nita Appt. Owners Association) Opp: Star India Bazaar, Nr. Jodhpur Cross Road, Satellite, Ahmedabad – 380 015.

## **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 towards the Banks, Institutions and Government Departments for their trust & confidence reposed in the Company.

**For or on behalf of the Board**

**Date : 23<sup>rd</sup> May, 2015**  
**Place : Ahmedabad**

**Sd/-**  
**Nimish K. Patel**  
**Chairman & Managing Director**  
**DIN:00240621**



**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
N. K. Industries Limited

We have examined the compliance of conditions of Corporate Governance by N. K. Industries Limited for the Year ended 31<sup>st</sup> March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance for the year ended 31<sup>st</sup> March, 2015 as stipulated in the above mentioned Listing Agreement.

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

Sd/-

**Chirag Shah**

Company Secretary

Samdani Shah & Associates,

Company Secretaries,

C.P. No. 3498

Date : 23<sup>rd</sup> May, 2015

Place : Ahmedabad

**C.E.O. & C.F.O. CERTIFICATION**

To,  
**Board of Directors,**  
**N K Industries Limited**  
Ahmedabad

Dear Sir/s,

**Subject: - Certification under Clause 49 of the Listing Agreement for the year ended on 31<sup>st</sup> March, 2015**

We, Nilesh K. Patel, Managing Director and Ashwin P. Patel, Chief Finance Officer heading the finance function of the N K Industries Limited certify that:

- A. We have reviewed the financial statements and cash flow statement for the year ended 31<sup>st</sup> March, 2015 and to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31<sup>st</sup> March, 2015 are fraudulent, illegal or in violation of the Company's code of conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps have been taken to rectify these deficiencies.
- D. We have indicated to the Auditors and to the Audit Committee:
  - i. Significant change/s in the internal control over financial reporting during the year.
  - ii. Significant change/s in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

**Nilesh K. Patel**  
Managing Director  
DIN: 00244115

Sd/-

**Ashwin P. Patel**  
Chief Financial Officer

Place : Ahmedabad

Date : 23<sup>rd</sup> May, 2015



**N. K.**  
**Industries Ltd.**

"Annexure A"

## CORPORATE GOVERNANCE REPORT

### **COMPANY'S PHILOSOPHY**

The Company's philosophy on Corporate Governance has been developed with a tradition of trusteeship, transparency and accountability. The Company's Code of Business conduct and Ethics and Code of Conduct for prevention of Insider Trading are an extension of our business values and reflect our commitment. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholders' expectations. Your company has fulfilled all the existing guidelines under Clause 49 of the Listing Agreement.

### **BOARD OF DIRECTORS**

**Composition, Category of Directors, and their other directorships as on 31<sup>st</sup> March, 2015**

Name of the Director	Date of Appointment	Category of Director	Directorship in other public companies	No. of Board Committees in which Chairman/ Member	
				Chairman	Member
Shri Nimish K. Patel	19/08/1987	Chairman & Managing Director	1	-	1
Shri Nilesh K. Patel	19/08/1987	Managing Director	1	-	1
Shri Hasmukh K. Patel	01/06/2013	Whole time Director	Nil	-	1
Shri Jaimin Modi	01/04/2014	Independent	Nil	2	1
Shri Jayesh D. Thakkar	01/04/2014	Independent	1	-	-
Dr. Bharat Patel	16/07/2014	Independent	5	-	1

### **INDEPENDENT DIRECTORS**

The Non-Executive Independent Directors have fulfilled all the provisions pursuant to section 149(6) of the Companies Act, 2013 and as mentioned in the Listing Agreement. Formal letter of appointment has been given to the Independent Directors and disclosed on the website of the Company.

### **FAMILIARIZATION PROGRAMME FOR THE BOARD**

The Company has put in place a system to familiarize the Independent Directors about the Company, its products, business and the ongoing events of the Company. The same has been placed on the website of the Company.

### **GOVERNANCE CODES**

#### **Code of Business Conduct & Ethics**

The Board of Directors has approved a Code of Conduct which is applicable to the Directors and Senior Management in the course of day to day business operations of the Company. The Code laid down by the Board is known as "Code of Conduct" which is available on our Company's website [www.nkindustriesltd.com](http://www.nkindustriesltd.com).

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and Senior Management in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

#### **Insider Trading Code**

The Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) and Code of Conduct to regulate, monitor, and report of trading by insiders pursuant to the Regulation 8 and Regulation 9 respectively of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015. The Code is available on our Company's website.

### **BOARD OF DIRECTORS:**

The strength of the Board consists of six Directors as on 31<sup>st</sup> March, 2015. 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 4 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 its stakeholders.



## N. K. Industries Ltd.

The Company has been endeavoring to constitute the Board of Directors, the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Relationship Committee having optimum combination of Executive, Non Executive and Independent Directors in due Compliance with Clause 49 of the Listing Agreement and applicable provisions of the Companies Act, 2013.

### 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 31<sup>st</sup> March, 2015 along with the category and the number of directorship in companies and also the membership in the committees are given as under:

Name (Designation)	Category of Directorship	Directorship# (Including Company)	**Committee Membership (Including Our Own Company)
Mr. Nimish K. Patel (DIN: 00240621) (Chairman & Managing Director)	Promoter Executive	1	-
Mr. Nilesh K. Patel (DIN: 00244115) (Managing Director)	Promoter Executive	1	1
Mr. Hasmukh K. Patel (DIN: 06587284) (Whole Time Director)	Executive	1	1
Mr. Jaimin Modi (DIN: 00113689) Director	Independent Non-Executive	1	2
Dr. Bharat J. Patel (DIN: 00944269) Director	Independent Non-Executive	5	-
Mr. Jayesh D. Thakkar (DIN:01247039) Director	Independent Non-Executive	1	2
*Ms. Kinjal B. Patel (DIN: 06896114) Director	Independent Non-Executive	1	-

\* Ms. Kinjal B. Patel resigned as Director of the Company w.e.f 26<sup>th</sup> February, 2015

\*\* Membership of Committees includes Audit Committee and Stakeholders' Relationship Committee as on 31/03/2015

# Directorship does not include directorship in Private Companies and Section 8 Companies

The Directors are not related inter se except Mr. Nimish K. Patel and Mr. Nilesh K. Patel who are related to each other as brothers.

### Board Meetings held during the year 2014-15

Sr. No.	Date of Board Meeting
1	28/05/2014
2	16/07/2014
3	09/08/2014
4	08/11/2014
5	07/02/2015

### Attendance of each Director in the Board Meetings and last Annual General Meetings

Sr. No.	Name of Director	Number of Board Meetings Attended	Attendance at the AGM held on 27 <sup>th</sup> September, 2014
1	Shri Nimish K. Patel	5 of 5	Present
2	Shri Nilesh K. Patel	5 of 5	Present
3	Shri Hasmukh K. Patel	5 of 5	Present
4	Shri Jaimin Modi	5 of 5	Present
5	Dr. Bharat Patel	5 of 5	Present
6	Shri Jayesh D. Thakkar	5 of 5	Present
7	Ms. Kinjal Patel *	4 of 5	Present

\* Ms. Kinjal Patel resigned from the Board w.e.f. February 26, 2015



**Information of Directors seeking reappointment at the ensuing Annual General Meeting is as under:**

Brief resume of Director being reappointed at the ensuing Annual General Meeting, nature of his expertise in specific functional areas and names of the other companies in which he hold Directorship are furnished in the Explanatory Statement annexed in the Notice convening 27<sup>th</sup> Annual General Meeting.

**AUDIT COMMITTEE**

**i) Terms of Reference:**

The terms of reference of the Audit Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 177 of the Companies Act, 2013

**ii) Composition and details of Audit Committee meetings during the year 2014-15 is as under:**

Name of the Directors	Expertise	Functions of the Committee	Attendance
Mr. Jaimin Modi(Chairman) Mr. Nilesh K. Patel Mr. Jayesh D. Thakkar (upto 07/05/2015) Dr. Bharat J. Patel (w.e.f. 14/05/2015)	Chairman of the Committee is an Independent Director and two-third of the members are Independent. All members of Audit Committee are financially literate and at least one member has thorough financial and accounting knowledge	The functions of Audit Committee are as per the Company Law and Listing Agreement with Stock Exchanges.	The meetings of Audit Committee were held on 28/05/2014, 16/07/2014, 09/08/2014, 08/11/2014 & 07/02/2015

**The Attendance of Audit Committee Members during the year is as under:**

Name of the Member	Category	Attendance
Shri Jaimin Modi	Chairman	5
Shri Nilesh K. Patel	Member	5
Shri Jayesh D. Thakkar	Member	5

The Audit Committee was lastly reconstituted in the meeting held on 14<sup>th</sup> May, 2015.

Mr. Jaimin Modi, Chairman of the Audit Committee was present at the 26<sup>th</sup> Annual General Meeting to answer queries of shareholders.

**NOMINATION AND REMUNERATION COMMITTEE**

**i) Terms of Reference**

The Board of Directors of the Company has constituted Remuneration Committee in its Board Meeting held on 7<sup>th</sup> May, 2009 pursuant to compliance under Schedule XIII of the Companies Act, 1956 as well as requirement of clause 49 of the Listing Agreement. The Nomination and Remuneration committee was reconstructed and renamed pursuant to commencement of Companies Act, 2013.

**ii) Composition of Nomination and Remuneration Committee as on 31/03/2015**

- 1 Mr. Jaimin Modi
- 2 Mr. Jayesh D. Thakkar
- 3 Mr. Hasmukh K. Patel\* (from 01/04/2014 to 16/07/2014)
- 4 Ms. Kinjal B. Patel\*\* (w.e.f 16/07/2014 to 26/02/2014)

The Committee was renamed and reconstituted as Nomination and Remuneration Committee on 16<sup>th</sup> July, 2014 pursuant to the commencement of the Companies Act, 2013. Further, the Committee was lastly reconstituted on 14/05/2015.

Details of remuneration paid to the Executive Directors and other Key Managerial Personnel during the year 2014-15 is as under:

Particulars	Hasmukh K. Patel (Whole Time Director)	Ashwin P. Patel (Chief Finance Officer)	Monica Surjani (Company Secretary)
Salary p.a.	4,06,236/-	6,00,000/-	60,000*/-
Commission	-	-	-
Perquisites & other allowances	N.A	N.A	N.A
Total	4,06,236/-	6,00,000/-	60,000/-

\*The Company Secretary is appointed since 1<sup>st</sup> January, 2015



**iii) Sitting fees:**

Sitting fees is not paid to the Directors

**iv) ESOP:**

The Company has not granted any Stock Options to any Director or Employee of the Company

**v) Meetings and Attendance**

The meetings of Nomination and Remuneration Committee were held on 28/05/2014 and 01/12/2014

<b>Name of the Member</b>	<b>Category</b>	<b>No. of Meetings Attended</b>
Shri Jaimin Modi	Independent and Non-Executive	2
Shri Hasmukh K. Patel	Executive	1
Ms. Kinjal Patel*	Independent and Non-Executive	1
Shri Jayesh D. Thakkar	Independent and Non-Executive	2

\*Ms. Kinjal Patel has resigned w.e.f 26<sup>th</sup> February, 2015

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

**i) Terms of Reference:**

The Corporate Social Responsibility Committee was constituted pursuant to the commencement of Companies Act, 2013. The members of Committee structured a brief policy on Corporate Social Responsibility and activities to be accomplished as per the Companies Act, 2013.

**ii) Composition of Committee as on 31/03/2015:**

<b>Sr. No.</b>	<b>Name of the Member</b>
1	Dr. Bharat J. Patel (Chairman)
2	Mr. Nimish K. Patel
3	Mr. Jayesh D. Thakkar

**iii) Meetings and Attendance:**

The members of committee met once on 07/02/2015 during the financial year ended March 31, 2015. The attendance record of the members at the meeting is as follows:

<b>Name of the Member</b>	<b>Category</b>	<b>No. of Meetings Attended</b>
Dr. Bharat J. Patel	Independent and Non-Executive	1
Shri Nimish K. Patel	Promoter-Executive	1
Shri Jayesh D. Thakkar	Independent and Non-Executive	1

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Shareholders/Grievance Committee meets to review and approve transfer/transmission/transportation/dematerialization of equity shares and also to examine any grievance raised by shareholders /investors. The Company ensures that the transfer of shares and dematerialization requests are confirmed within stipulated time under the Listing Agreement.

**i) Composition as on 31/03/2015:**

The members of the committee are as under:-

<b>Sr. No.</b>	<b>Name of the Member</b>
1.	Mr. Jaimin Modi
2.	Mr. Jayesh D. Thakkar
3	Mr. Hasmukh K. Patel

The Shareholders Relationship Committee was reconstituted in the meeting of Board of Directors held on 16<sup>th</sup> July, 2014.

The Company had received certain complaints from shareholders/investors during the year and all of them have been responded/ resolved by furnishing requisite information/documents. No investor complaints were pending as on 31<sup>st</sup> March, 2015.



**ii) Meetings and Attendance:**

The members of Committee met regularly during the financial year ended March 31, 2015. The attendance record of the members at the meeting is as follows:

Name of the Member	Category	No. of Meetings Attended
Mr. Jaimin Modi	Independent and Non-Executive	4
Shri Hasmukh K. Patel	Executive	4
Shri Jayesh D. Thakkar	Independent and Non-Executive	4

**GENERAL BODY MEETING**

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

Date	Venue	Time
29/09/2012	7 <sup>th</sup> Floor, Popular House, Ashram Road, Ahmedabad – 380 009	4.00 P.M.
30/10/2013	7 <sup>th</sup> Floor, Popular House, Ashram Road, Ahmedabad – 380 009	4.00 P.M.
27/09/2014	ATMA Hall, Ashram Road, Ahmedabad – 380 009	4.00 P.M.

During the year no resolution was passed through postal ballot and further no special resolution is proposed to be conducted through postal ballot at the ensuing Annual General Meeting.

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors of the Company.

A separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by Non-Independent Directors. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

**RISK MANAGEMENT POLICY**

Business Risk Management is an ongoing process within the Organization. The Company has a proper risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Policy broadly comprise of:

- 1) Oversight of risk management performed by the Executive Management;
- 2) Reviewing the Risk Management policy and framework in line with local legal requirements and SEBI guidelines;
- 3) Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- 4) Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
- 5) Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

**INDEPENDENT DIRECTORS' MEETING:**

During the year under review, the Independent Directors met to discuss:

- 1) Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- 2) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- 3) Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting as informed by them.



## N. K. Industries Ltd.

### SHAREHOLDERS INFORMATION:

#### A. (i) Means of Communication :

The Quarterly Un-Audited (Provisional) Results and the Annual Audited Financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board and are also published in one vernacular news paper viz. "Lok Mitra" and one English news paper viz. "Free Press Journal". Also they are uploaded on the Company's website [www.nkindustries.com](http://www.nkindustries.com).

The results are published in accordance with the guidelines of the Stock Exchanges.

(ii) In line with the existing provisions of the Listing Agreement, the Company has created a separate e-mail address viz. [nkil@nkproteins.com](mailto:nkil@nkproteins.com) to receive complaints and grievances of the investors.

#### B. Share Transfers Agents:

M/S. Link Intime India Private Limited

##### Registered Office:

C13 Pannalal Silkmills, Compound Marg, Bhandup (w),  
Mumbai - 400 078  
Tel: 079-26465179

##### Regional Office:

303, Shopper Plaza, Opp. Municipal Market, off C G Road,  
Navrangpura, Ahmedabad – 380 009

#### C. Share Transfer System:

All physical share transfers are effected within 15 days of lodgment, subject to the documents being in order. The Board has delegated the authority for approval of transfer, transmission etc. to a Committee comprising of two Non Executive Directors and one executive director. A summary of transfer/transmission of shares so approved by the Committee is placed before the Board.

#### Shareholders Information:

##### a) Annual General Meeting:

Date : 26<sup>th</sup> September, 2015

Venue : Atma Hall, Ashram Road, Ahmedabad 380 009

Time : 4.00 P.M.

##### b) Financial Calendar:

Financial Year for the Company is from April 01 to March 31.

Financial Calendar for 2015-16 (Tentative Schedule) for adoption of quarterly results:

Quarter ending 30 <sup>th</sup> June, 2015	Second Week of August, 2015
Quarter ending 30 <sup>th</sup> September, 2015	Second Week of Nov, 2015

Quarter ending 31 <sup>st</sup> December, 2015	Second Week of Feb, 2016
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Quarter & Year ending 31 <sup>st</sup> March, 2015 (Audited)	Last week of May, 2016
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##### c) Book Closure:

The Register of Members and Share Transfer Books of the Company shall remain closed from September 19, 2015 to September 26, 2015 (both days inclusive).

##### d) Listing in stock exchanges and stock codes:

The names of Stock Exchanges at which the equity shares are listed and respective stock codes are as under:

Name of Stock Exchange	Stock code No.
Bombay Stock Exchange	519494
National Stock Exchange	NKIND
Ahmedabad Stock Exchange	40617
Madras Stock Exchange	-
Delhi stock Exchange	-

The ISN number allotted to the Company for demat of shares are as under.

NSDL : INE206701018

CDSL : INE206701018

##### e) Stock data:

High/Low of market price of Company's equity shares traded on the Bombay Stock Exchange Limited, National Stock Exchange India Limited, Ahmedabad Stock Exchange, Madras Stock Exchange and Delhi Stock Exchange during the financial year ended on March 31, 2015 is not available as the trading of shares of Company has been suspended and the Company has filed revocation of suspension of trading of shares on the exchange terminal.



**f) Distribution of shareholding as on March 31, 2015:**

<b>Size of Holding</b>	<b>No. of Shareholders</b>	<b>Percentage %</b>	<b>Shares</b>	<b>Percentage %</b>
1-500	4745	92.75	615787	10.25
501-1000	177	3.46	147552	2.46
1001-2000	85	1.66	129292	2.15
2001-3000	27	0.53	66827	1.11
3001-4000	9	0.18	32511	0.54
4001-5000	15	0.29	71934	1.20
5001-10000	20	0.39	141874	2.36
10001 & above	38	0.74	4804123	79.94

**g) Share Holding Pattern:**

<b>Sr. No.</b>	<b>Category</b>	<b>No. of Shares</b>	<b>% of Shareholding</b>
1	Promoters	3507228	58.36
2	Resident Individual	2166919	36.06
3	Other Corporate Bodies	327958	5.45
4	Financial Institutions/Banks and Mutual Funds	1300	0.02
5	NRI's and OCB	4600	0.08
6	Clearing Member	1895	0.03
	<b>Total</b>	<b>6009900</b>	<b>100</b>

**h) Shares held in physical and dematerialized form:**

As on March 31, 2015, 89.70 % of shares were held in dematerialized form and the rest in physical form.

**i) Outstanding GDR's/ADR's/Warrant's/Convertible instruments and their impact on equity:**

NIL

**j) Plant Location:**

745, Kadi-Thor Road, Kadi – 382 715 Dist. Mehsana (N.G.)

**k) Address for correspondence:**

7<sup>th</sup> Floor, Popular House, Ashram Road, Ahmedabad – 380 009

Phone: 079- 66309999 Fax: 079- 26589214 E-mail: nkil@nkproteins.com

**DISCLOSURES:**

There are certain transactions with related parties which have been disclosed at the relevant place in the notes to the annual accounts. No such related party transactions may have potential conflict with the interests of the Company at large. The Company also has job work arrangements with its group companies.

BSE has suspended trading in the securities of the Company w.e.f. 16th January, 2013 as Company had failed to comply with some of the provisions of the Listing Agreement within time in the past. NSE has also suspended trading in the securities of the Company w.e.f. 11th November, 2002 as Company had failed to comply with some of the provisions of the Listing Agreement within time in the past. Further the Company has made application for revocation of suspension before both the Stock Exchanges and the said applications are under final stage. The Company is hopeful that the trading in the shares of the Company will be allowed within short period of time.

No penalties or strictures have been imposed on the Company by the stock exchanges/SEBI till date. The Company has disclosed the Accounting Treatment in the Annual Report of the Company. Moreover the Company has not changed Accounting Treatment during the financial year 2014-15 unless otherwise disclosed in the financial statements.



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY OVERVIEW**

The Promoters selected to go into manufacturing and refining of castor oil and its derivatives keeping in view its 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 total world production of castor seeds, 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 due to sickness of the unit and poor market conditions affects the quick turnaround. However, the Management is aware of the said problems & therefore has designed the system to address the same. Once the pending Draft Rehabilitation Scheme is finalized by the Operating Agency, Canara Bank and if subsequently approved by the BIFR, the Company is hopeful for revival.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has an adequate system of internal control across all functions such as purchase, sale, acquisitions of fixed assets, cash & bank. 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, where one of their function is to review the Internal Control system regularly, with a view to further strengthen the same.

### **OPERATING LOSS BEFORE OTHER INCOME AND DEPRECIATION**

The operating loss of the Company before providing for other income and depreciation was ₹ 115.31 Lacs as against previous year loss of ₹ 528.6 Lacs.

#### **Other Income:**

Other income was lower at ₹ 86.02 Lacs as against ₹ 280.81 Lacs in the previous year.

**Finance Cost** was lower ₹ 12.99 Lacs as against ₹ 27.86 Lacs in the previous year.

**Depreciation** (including amortization) was higher at ₹ 2422.36 Lacs as against ₹ 472.29 Lacs during the previous year.

**Net Loss during the year** reduced and stood at ₹ 2464.65 Lacs as against ₹ 5005.46 Lacs during the previous year.

### **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, it will help to enhance the utilization of its capacity and thereby create further employment.



**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN**

(As on the financial year ended on 31<sup>st</sup> March, 2015)

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

**I. REGISTRATION AND OTHER DETAILS:**

CIN:	L91110GJ1987PLC009905		
Foreign Company Registration Number/GLN	N.A		
Registration Date [DDMMYY]	19/08/1987		
<b>Category of the Company</b>	1. Public Company	✓	
	2. Private Company		
<b>Sub Category of the Company</b>	1. Government Company		
	2. Small Company		
	3. One Person Company		
	4. Subsidiary of Foreign Company		
	5. NBFC		
	6. Guarantee Company		
	7. Limited by shares	✓	
	8. Unlimited Company		
	9. Company having share capital		
	10. Company not having share capital		
	11. Company Registered under Section 8		
Whether shares listed on recognized Stock Exchange(s)	Yes		
If yes, details of stock exchanges where shares are listed	SN	Stock Exchange Name	Code
	1	Bombay Stock Exchange	519494
	2	National Stock Exchange	NKIND
	3	Ahmedabad Stock Exchange	- 40617
	4	Delhi Stock Exchange	-
	5.	Chennai Stock Exchange	-
AGM details-			
Whether extension of AGM was granted – Yes / No. ( If yes, provide reference number, date of approval letter and the period upto which extension granted)	NO		
If Annual General Meeting was not held, specify the reasons for not holding the same	NA		



## N. K. Industries Ltd.

NAME AND REGISTERED OFFICE ADDRESS OF COMPANY:	
Company Name	<b>N. K. INDUSTRIES LIMITED</b>
Address	<b>7<sup>th</sup> Floor, Popular House, Ashram Road,</b>
Town / City	<b>Ahmedabad</b>
State	<b>Gujarat</b>
Pin Code:	<b>380 009</b>
Country Name :	<b>India</b>
Country Code	
Telephone (With STD Area Code Number)	<b>91-79-66309999</b>
Fax Number :	<b>91-79-66309913</b>
Email Address	<b>nkil@nkproteins.com</b>
Website	<b>www.nkindustriesltd.com</b>
Name of the Police Station having jurisdiction where the registered office is situated	<b>Navrangpura, Police Station</b>
Address for correspondence, if different from address of registered office:	<b>N.A</b>
Name and Address of Registrar & Transfer Agents (RTA):- Full address and contact details to be given.	
Registrar & Transfer Agents ( RTA ):-	<b>Link Intime India Private Limited</b>
Address	<b>Unit No 303 , 3<sup>rd</sup> floor Shoppers Plaza V,Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road,</b>
Town / City	<b>Ahmedabad</b>
State	<b>Gujarat</b>
Pin Code:	<b>380009</b>
Telephone (With STD Area Code Number)	<b>079-30002684</b>
Fax Number :	<b>079-26465179</b>
Email Address	<b>ahmedabad@linkintime.co.in</b>

### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

SL No	Name & Description of main products / services	NIC Code of the Product /service	% to total turnover of the Company
1.	Castor Seed	15153090	27.98%
2.	12 HSA	15153090	21.49%
3.	HCO	15153090	15.20%
4.	Tin Plate	-	13.95%

### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE
1	AWN AGRO PRIVATE LIMITED	U15143GJ2011PTC064651	Joint Venture Company



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

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 <sup>st</sup> -April-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during this year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/ HUF	1150703	-	1150703	19.15	1150703	-	1150703	19.15	-	
b) Central Govt.	-	-	-	-	-	-	-	-	-	
c) State Govt.(s)	-	-	-	-	-	-	-	-	-	
d) Bodies Corp.	2356525	-	2356525	39.21	2356525	-	2356525	39.21	-	
e) Banks / FI	-	-	-	-	-	-	-	-	-	
f) Any other	-	-	-	-	-	-	-	-	-	
<b>Total shareholding of Promoter (A)</b>	<b>3507228</b>	-	<b>3507228</b>	<b>58.36</b>	<b>3507228</b>	-	<b>3507228</b>	<b>58.36</b>	-	
<b>B. Public Shareholding</b>										
1. Institutions										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	
b) Banks / FI	-	1300	1300	0.02	-	1300	1300	0.02	-	
c) Central Govt.	-	-	-	-	-	-	-	-	-	
d) State Govt.(s)	-	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	-	
g) FIIs	-	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	-	
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>1300</b>	<b>1300</b>	<b>0.02</b>	<b>-</b>	<b>1300</b>	<b>1300</b>	<b>0.02</b>	<b>-</b>	
2. Non-Institutions										
a) Bodies Corp.										
i) Indian	319058	9000	328058	5.46	318958	9000	327958	5.46	-	
ii) Overseas	-	-	-	-	-	-	-	-	-	
b) Individuals										
i) Individual shareholders holding nominal share capital upto 1 lakh	595073	577684	1172757	19.51	587469	573284	1160753	19.31	0.20	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	959026	34636	993662	16.53	971530	34636	1006166	16.74	0.21	
c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-	
d) Others (NRI & CM)	6295	600	6895	0.11	5895	600	6495	0.11	-	
<b>Sub-total (B)(2):-</b>	<b>1879452</b>	<b>621920</b>	<b>2501372</b>	<b>41.62</b>	<b>1883852</b>	<b>617520</b>	<b>2501372</b>	<b>41.62</b>	<b>-</b>	
Total Public Shareholding (B)=(B)(1)+(B)(2)	1879452	623220	2502672	41.64	1883852	618820	2502672	41.64	-	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
Grand Total (A+B+C)	5386680	623220	6009900	100	5391080	618820	6009900	100	-	



**(B) Shareholding of promoters**

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 1 <sup>st</sup> April, 2014			Shareholding at the end of the year 31 <sup>st</sup> March, 2015			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	Shanti Stock Holdings Pvt. Ltd.	1313883	21.86	-	-	-	-	21.86
2	N. K. Roadways Pvt. Ltd.	225000	3.74	-	-	-	-	3.74
3	N. K. Oil Mills Pvt. Ltd.	225340	3.75	-	1989223	33.10	-	29.35
4	N. K. Proteins Private Limited	367302	6.11	-	367302	6.11	-	-
5	N. K. Estate Developers Pvt. Ltd.	225000	3.74	-	-	-	-	3.74
6	Sonalben Nimishbhai Patel	256420	4.27	-	256420	4.27	-	-
7	Ashitaben Nileshbhai Patel	123916	2.06	-	123916	2.06	-	-
8	Nimish Keshavlal Patel	134123	2.23	-	134123	2.23	-	-
9	Priyanshi Nilesh Patel	106900	1.78	-	106900	1.78	-	-
10	Nilesh Keshavlal Patel HUF	104557	1.74	-	104557	1.74	-	-
11	Nimishbhai Keshavlal Patel HUF	104557	1.74	-	104557	1.74	-	-
12	Priyam Nilesh Patel	84516	1.41	-	84516	1.41	-	-
13	Venusree Nimishbhai Patel	84160	1.40	-	84160	1.40	-	-
14	Vedanshee Nimishbhai Patel	73100	1.22	-	73100	1.22	-	-
15	Nileshbhai Keshavlal Patel	20954	0.35	-	20954	0.35	-	-
16	Darshanbhai Baldevbhai Patel	1600	0.03	-	1600	0.03	-	-
17	Ashitaben Nileshbhai Patel	55900	0.93	-	55900	0.93	-	-
	<b>Total</b>	<b>3507228</b>	<b>58.36</b>	<b>-</b>	<b>3507228</b>	<b>58.36</b>	<b>-</b>	<b>-</b>



**C) Change in Promoters' Shareholding (please specify, if there is no change)**

<b>Sr. No.</b>		<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of Shares</b>	<b>% of total Shares of the Company</b>	<b>No. of Shares</b>	<b>% of total Shares of the Company</b>
1.	N. K. Oil Mills Private Limited				
	At the beginning of the year	225340	3.75	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweatequity etc):	28/11/2014 Due to Amalgamation of Shanti Stock Holding Pvt. Ltd, N. K. Roadways Pvt. Ltd., N. K. Infraventures Pvt. Ltd. and N. K. Flour Mills Ltd to N. K. Oil Mills Pvt. Ltd.			
	At the end of the year	1989223	33.10	-	-
2.	N. K. Roadways Private Limited				
	At the beginning of the year	225000	3.74	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweatequity etc):	28/11/2014 Due to Amalgamation of Shanti Stock Holding Pvt. Ltd, N. K. Roadways Pvt. Ltd., N. K. Infraventures Pvt. Ltd. and N. K. Flour Mills Ltd to N. K. Oil Mills Pvt. Ltd.			
	At the end of the year	Nil	-	-	-
3.	Shanti Stock Holdings Private Limited				
	At the beginning of the year	1313883	21.86	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweatequity etc):	28/11/2014 Due to Amalgamation of Shanti Stock Holding Pvt. Ltd, N. K. Roadways Pvt. Ltd., N. K. Infraventures Pvt. Ltd. and N. K. Flour Mills Ltd to N. K. Oil Mills Pvt. Ltd.			
	At the end of the year	Nil	-	-	-
4.	N. K. Estate Developers Private Limited				
	At the beginning of the year	225000	3.74	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweatequity etc):	28/11/2014 Due to Amalgamation of Shanti Stock Holding Pvt. Ltd, N. K. Roadways Pvt. Ltd., N. K. Infraventures Pvt. Ltd. and N. K. Flour Mills Ltd to N. K. Oil Mills Pvt. Ltd.			
	At the end of the year	Nil	-	-	-



**N. K.  
Industries Ltd.**

**D) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>INDUBEN AMBALAL RAJIV VASTUPAL</b>				
	At the beginning of the year	298396	4.96	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	298396	4.96		
2	<b>MEHTA SECURITIES LIMITED</b>				
	At the beginning of the year	149800	2.49	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	149800	2.49	-	-
3	<b>RAJIV VASTUPAL INDUBEN VASTUPAL</b>				
	At the beginning of the year	128726	2.14	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	128726	2.14	-	-

**E) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>NIMISH KESHALAL PATEL CHAIRMAN &amp; MANAGING DIRECTOR</b>				
	At the beginning of the year	134123	2.23	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	134123	2.23	-	-
2	<b>NILESH KESHALAL PATEL MANAGING DIRECTOR</b>				
	At the beginning of the year	20954	0.35	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	20954	0.35	-	-



<b>Sr. No.</b>	<b>Name of Shareholder</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of Shares</b>	<b>% of total shares of the Company</b>	<b>No. of Shares</b>	<b>% of total shares of the Company</b>
<b>3</b>	<b>HASMUKH K. PATEL WHOLE TIME DIRECTOR</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
<b>4</b>	<b>BHARAT J. PATEL INDEPENDENT DIRECTOR</b>				
	At the beginning of the year	196	0.003	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	196	0.003	-	-
<b>5</b>	<b>JAIMIN MODI INDEPENDENT DIRECTOR</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
<b>6</b>	<b>JAYESH THAKKAR INDEPENDENT DIRECTOR</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
<b>7</b>	<b>KINJAL B. PATEL INDEPENDENT DIRECTOR</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
<b>8</b>	<b>MONICA SURJANI COMPANY SECRETARY</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
<b>9</b>	<b>ASHWINBHAI P. PATEL CHIEF FINANCE OFFICER</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

\*Ms. Kinjal B. Patel has resigned from the post of Directorship of the Company w.e.f 26<sup>th</sup> February, 2015



**F) INDEBTEDNESS-Indebtedness of the Company including interest outstanding/ accrued but not due for payment: N.A**

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	-	-	-	-
II) Interest due but not paid	-	-	-	-
III) Interest accrued but not due	-	-	-	-
Total (I+II+III)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD / WTD/Manager			Total Amount
		Nimish K. Patel	Nilesh K. Patel	Hasmukh K. Patel	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	4,06,236	406236
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission-as % of profit-others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	-	-	4,06,236	-
	Ceiling as per the Act	30,00,000	30,00,000	30,00,000	30,00,000



**B. Remuneration to other Directors: NIL**

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Bharat J. Patel	Jaimin Modi	Jayesh Thakkar	Kinjal Patel	
1	Independent Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

**C. Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD**

SN	Particulars of Remuneration	Key Managerial Personnel		Total
		CS	CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60000*	500000	560000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission- as % of profit- others, specify...	-	-	
5	Others, please specify	-	-	
	Total	60000	500000	560000

\* The Company Secretary is appointed since 1<sup>st</sup> January 2015.

\* The CFO is appointed w.e.f. 1<sup>st</sup> June 2014.



**PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (giveDetails)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**Note:** The Company has received a letter from Registrar of Companies, Gujarat dated 19/12/2014 regarding the Technical Scrutiny u/s 206 of the Companies Act, 2013 and the Company has duly replied to the Registrar of Companies, Gujarat vide letter dated 12/01/2015.



**N. K.  
Industries Ltd.**

"Annexure D-1"

**Form AOC-1**

Salient features of the financial statements of subsidiaries/associate/joint ventures as per Companies Act, 2013  
PART "B": Associates and Joint Venture

**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Sr. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/ Joint Ventures held by the Company on the year end			Description of how there is significant influence	Reason why the Associate/ Joint Venture is not consolidated	Networth attributable to shareholding as per latest audited balance sheet	Profit/ (Loss) for the year
			No.	Amount of investment in Associates/ Joint Ventures	Extent of holding %				
1	AWN Agro Private Limited	March 31, 2015	2,50,05,000	25,00,50,000	50%	N.A	* Refer note below	N.A	N.A

Note: \*The Ministry of Corporate Affairs vide its Notification Dated 14<sup>th</sup> October, 2014 amended the Companies (Accounts) Amendment Rules, 2014, on reliance upon such exemption the financial statements for the year 2014-15 have not been consolidated.

For and on behalf of the Board

Sd/- Mr. Nimish K. Patel Chairman & Managing Director DIN: 00240621	Sd/- Mr. Nilesh K. Patel Managing Director DIN: 00244115	Sd/- Mr. Ashwin P. Patel Chief Financial Officer	Sd/- Ms. Monica Surjani Company Secretary
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"Annexure D-2"

**Form No. AOC-2**  
**(Pursuant to clause (h) of subsection (3) of section 134 of the Act  
and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: N.A
2. Details of material contracts or arrangement or transactions at arm's length basis:
  - (a) Name(s) of the related party and nature of relationship: N. K. Proteins Private Limited (Formerly Known as N. K. Proteins Limited)-Group Company
  - (b) Nature of contracts/arrangements/transactions: Job work Agreement
  - (c) Duration of the contracts/arrangements/transactions: Twelve Months (upto March, 2016)
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
    - N. K. Industries has offered to undertake the crushing of castor seeds and conversion into Oil and Hydrogenated Castor Oil (HCO) for and behalf of N. K. Proteins Private Limited at its Kadi factory on job work basis.
    - This Agreement shall come into effect from 1<sup>st</sup> April, 2015 upto 31<sup>st</sup> March, 2016
  - (e) Date(s) of approval by the Board, if any: 23/05/2015
  - (f) Amount paid as advances, if any: N.A

Note: Form shall be signed by the persons who have signed the Board's Report.

**For or on behalf of the Board**

Date : 23<sup>rd</sup> May, 2015  
Place : Ahmedabad

Sd/-  
Nimish K. Patel  
Chairman & Managing Director  
DIN:00240621



Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2015

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

To,  
The Members,  
N. K. INDUSTRIES LIMITED

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

Based on our verification of the N. K. INDUSTRIES LIMITED (books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by N. K. INDUSTRIES LIMITED ("the Company") for the financial year ended on 31.03.2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (***Not Applicable during the Audit Period***);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (***Not Applicable during the Audit Period***);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (***Not Applicable during Audit Period***);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (***Not Applicable during Audit Period***);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (***Not Applicable during the Audit Period***);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (***Not Applicable during the Audit Period***); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (***Not Applicable during the Audit Period***);
- (i) Laws specifically applicable to the industry to which the Company belongs, as identified by the Management, that is to say:
  - 1. Food Safety and Standards Authority of India
  - 2. Prevention of Food and Adulteration Act
  - 3. The Edible Oils Packaging (Regulation) Order, 1998
  - 4. Essential Commodities Act, 1955 (in relation to food)
  - 5. Packaging and Labeling Regulations



6. Weights and Measurement Act
7. Legal Metrology Act
8. Gujarat Pollution Control Board (Environment Pollution Act)

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India: (***Not Applicable during the Audit Period***);
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s), - BSE Limited, National Stock Exchange of India Limited, Ahmedabad Stock Exchange Limited Delhi Stock Exchange Limited, Madras Stock Exchange Limited.

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

*"As per the listing agreement audited financial statements are to be approved within 60 days from the end of the financial year whereas the Company has approved its audited financial statements within 107 days for the quarter and the year ended on 31<sup>st</sup> March, 2014."*

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

**We further report that** during the audit period there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Ahmedabad  
Date : 23<sup>rd</sup> May, 2015

Sd/-  
Chirag Shah  
Partner  
Samdani Shah & Associates  
FCS No. 5545  
C P No.: 3498



**PARTICULARS OF EMPLOYEES**

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of the Director/KMP and Designation	Remuneration of Director/KMP for the financial year 2014-15 (in ₹)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director to the median employee of the Company
1	Mr. Nimish K. Patel(Chairman & Managing Director)	Nil	-	N.A
2	Mr. Nilesh K. Patel(Managing Director)	Nil	-	N.A
3	Mr. Hasmukh K. Patel(Whole Time Director)	4,06,236/-	-	4.08
4	Mr. Jaimin Modi(Independent Director)	Nil	-	N.A
5	Dr. Bharat J. Patel(Independent Director)	Nil	-	N.A
6	Ms. Kinjal B. Patel(Independent Director)	Nil	-	N.A
7	Mr. Ashwinbhai P. Patel (Chief Finance Officer)*	6,00,000/-	-	6.02
8	Ms. Monica Surjani (Company Secretary)**	2,40,000/-	-	2.41

\* Chief Financial Officer is appointed w.e.f. 1<sup>st</sup> June, 2014

\*\* Company Secretary is appointed w.e.f 1<sup>st</sup> January, 2015

ii. The median remuneration of employees of the Company during the year under review was ₹ 99,612.

iii. There was no increase in remuneration of Directors and Key Managerial Personnel during the financial year 2014-15.

iv. The percentage increase in the median remuneration of employees of the Company during the financial year: 13

v. The number of permanent employees on the rolls of Company: 185 as on March 31, 2015.

vi. The explanation on the relationship between average increase in remuneration and Company performance: N.A.

vii. Comparison of the remuneration of the key managerial personnel against the performance of the Company:  
There is no increase in the remuneration of the key managerial personnel during the year.

viii. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year: N.A.

ix. Percentage increase over decrease in the market quotations of shares of the Company in comparison to the rate at which the Company came out with the last public offer: N.A.

x. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
The increase in the remuneration of median employees of the Company is in relation with the industrial standards of similar field.

xi. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:  
As the Company is a Sick Company and registered before the BIFR there is no increase in the remuneration of Key Managerial Personnel of the Company during the year under review.

xii. The key parameters for any variable component of remuneration availed by the Directors: N.A.

xiii. The median ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:  

- The median remuneration of employees of the Company who are paid more than the highest paid Director was ₹6,24,348/-
- The remuneration of highest paid Director as also mentioned in clause (i) above was ₹ 406236/-
- The median ratio of remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year under review was 1.54.

xiv. Affirmation that the remuneration is as per the Remuneration Policy of the Company: The Company affirms remuneration is as per the Remuneration Policy of the Company.



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF N. K. INDUSTRIES LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **M/s N. K. INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant Accounting Policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Basis of Qualified Opinion**

- 1. The Company had entered into financial arrangement with National Spot Exchange Limited (NSEL) through trading and Clearing Member, N. K. Proteins Private Limited erstwhile N. K. Proteins Limited (NKPL) (Group Company) by way of purchase and sales of various goods up to financial year 2012-13. The trade payables and trade receivables arising out of the transactions through National Spot Exchange Limited (NSEL) from the concerns other than the group concerns are subject to confirmations by the respective parties and reconciliations/adjustments, if any. Further, NSEL had suspended the trading on 31.07.2013 and has initiated recovery proceedings against the group Company NKPL and also against the Company and the said proceedings are pending as on date. Further, the Economic Offence Wing, Mumbai (EOW), has issued notice under the Maharashtra Protection of Interest of Depositors (in financial establishments)-Act, 1999 (MPID Act) for securing attachment of the Land, Building & Plant & Machinery of the Company located at Kadi, Gujarat. However, the Company has obtained a stay against the attachment notice of EOW from the Hon'ble Gujarat High Court. In view of the fact that the matter is subjudice, we are unable to quantify the final liability and its impact if any, on the profit or loss of the Company. (Refer Note no 32 of financial Statements).**
- 2. The Directorate of Enforcement, Government of India has initiated proceedings against the Company under section 5(1) of the Prevention of Money Laundering Act, 2002, along with group Company NKPL, and by virtue of the provisional attachment order dated 10/03/2015, attached the assets of the Company comprising of Land, Building, Plant and Machinery situated at Survey Nos.719, 720, 721, 732/1, 732/2, 733, 741, 743, 744, 745, Kadi Thol Road, Village Kadi Kasba, Taluka- Kadi, District Mehsana-382715 Gujarat. As explained to us, The Company has filed its detailed response to such attachment notice before**



## N. K. Industries Ltd.

the Adjudicating Authority (PMLA) New Delhi. However, as the matter is subjudice, we are unable to quantify the liability and its impact if any, on the profit or loss of the Company (Refer Note no 33 of financial Statements).

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its loss and its cash flows for the year ended on that date.

### Emphasis of Matters

1. We draw attention to Note 29 to the financial statements which states that the Company is having accumulated losses of ₹ 317.74 Crores as at 31.3.2015 and the net worth of the Company is negative. The Company is registered and declared "Sick" by Hon'ble Board for Industrial & Financial Reconstruction under SICA Act. However, The Company is making sincere efforts for the revival of the Business & the Management is confident to recover the losses through improved profitability in foreseeable future. Therefore, no provision for the impairment has been made and accounts for the year have been prepared on "Going Concern Basis."
2. We draw attention to Note 30 to the financial statements which states that a Winding up petition before the Hon'ble High Court of Gujarat has been filed by Vemag Engineering Pvt. Ltd. for nonpayment of its dues of ₹ 17.38 lacs. The aforesaid Debt is disputed by the Company, and has been disclosed as a contingent liability under Note No. 24 of the notes forming part of accounts
3. Attention is invited to note 34 of the financial statements which states that the Income Tax Department had carried out survey u/s 133 of the Income tax Act, 1961 (the IT Act) on the Company along with other group companies during FY 2013-14 and had ordered a special audit of the books of the Company u/s 142A of the IT Act, 1961, for AY 2011-12. During the year under review the department has raised a demand of ₹ 150.49 crores on the Company for the aforesaid assessment year and the said demand has been disputed by the Company and the Company has initiated Appellate proceedings before appropriate Authorities. The said amount has been shown as contingent liability under Note No. 24 of the notes forming part of accounts. Further, Income tax department has passed an order on 22.04.2015 by which it has attached properties of the Company in pursuant to a demand, the details of the properties attached which are in the name of Company is as under:
  - 803, Manas Complex, Opp Star Bazaar, Nr Jodhpur Cross road, Satellite, Ahmedabad 380015
  - 603, Manas Complex, Opp Star Bazaar, Nr Jodhpur Cross road, Satellite, Ahmedabad 380015
4. Attention is invited to note 36 of the financial statements which states that Sales Tax Department has completed the assessment for various assessment years and raised demand of ₹ 5554.43 lacs for the earlier years. The Company has not made any provision for the above demand raised by the sales tax authority in view of the fact that that the Company has preferred an appeal before the appellate authority. The said amount has been shown as contingent liability under Note No. 24 of the notes forming part of accounts.
5. Attention is invited to note 37 of the financial statements which states that The Ministry of Corporate Affairs (MCA) had ordered technical scrutiny of the Company under the provisions of Section 206 of the Companies Act, 2013 vide their letter dated 19/12/2014. In response to the said letter, the Company has filed the reply vide letter dated 12/01/2015 with ROC.
6. Attention is invited to note 26 of the financial statements which states that a Search & Seizure action U/S 132 of the Income Tax Act took place on 24.2.99. The Income Tax department had raised demand of ₹ 33.12 Crores vide the block assessment Order DT. 30.4.2001. In case of Company, the Income Tax Appellate Tribunal (ITAT) has subsequently given relief to the extent of ₹ 28.84 Crores. The Company's appeal before the Hon'ble Gujarat High Court against addition confirmed by ITAT of ₹ 4.28 Crores is admitted. Pending the disposal of appeal by the Hon'ble High Court, the provision for Income Tax of ₹ 2.88 Crores on addition confirmed by ITAT was made during F.Y.2002-03 and provision of ₹ 1.27 crore of interest payable up to 31.03.2005 was 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 Hon'ble Gujarat High Court.
7. Attention is also invited to note 25 of the financial statements which states that the Company has been declared as a Sick Industrial Company by the BIFR under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985. On having settled all the compromise dues of the banks and IDBI, the BIFR has disposed off the first reference Case no. 35/1999 of the Company. It has, however, registered the companies subsequent references and appointed Canara Bank as an Operating Agency vide its order dated 1st March, 2012 to prepare a Draft Rehabilitation Scheme (DRS) for its consideration.

Our opinion is not qualified on the above matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.



2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper Books of Account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the Books of Account.
- (d) *The matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company*
- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note no.24 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Parikh & Majmudar**  
*Chartered Accountants*  
FR No. 107525W

Sd/-  
[C.A (Dr) **Hiten M. Parikh**]  
*PARTNER*  
Membership No. 40230

Place : Ahmedabad  
Date : 23<sup>rd</sup> May, 2015



**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**

(Referred to in our Report of Even Date)

- (i) (a) The Company has maintained records showing full particulars, including quantitative details & the situation of the fixed assets with effect from 1<sup>st</sup> April 2008 onwards.
- (b) As explained to us, a major portion of the fixed assets has been physically verified by the Management during the year in accordance with a phased programme of verification adopted by the Company. As informed to us, no material discrepancies were noticed on such physical verification.
- (ii) (a) As explained to us, the inventories have been physically verified by the Management at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of the Company, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the books of accounts were not material.
- (iii) (a) During the year under review, the Company has not granted interest free unsecured loans to any party covered in the register maintained under section 189 of the Companies Act, 2013 (the Act).
- (b) *The loans granted during the earlier years to the parties covered in the register maintained u/s 189 of the Companies Act, 2013 (the Act) are interest free loans are considered doubtful of recovery. The terms of arrangements do not stipulate any repayment schedule and the loan is repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.*
- (c) *In respect of the said loans, there are no overdue amounts.*
- (iv) In our opinion, and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets & also for the sale of goods. We have not observed any major weakness in internal control systems during the course of our Audit.
- (v) The Company has not accepted any deposits from the public during the year.
- (vi) We have broadly reviewed the books of accounts maintained by the Company in respect of products where pursuance to the rules made by the Central Government of India, the maintenance of Cost records has been prescribed sub section (1) of section 148 of Companies Act 2013 and we are of the opinion that *prima facie*, the prescribed accounts & records have been maintained. We have however, not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us, *except for the minor delays in few instances of deposit of Value Added tax and Tax Deducted at Source*, the Company is generally regular in depositing with appropriate Authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Wealth tax, Value Added tax, Commercial tax, Service tax, duty of Custom, duty of Excise, Cess and other material statutory dues applicable to it. As per the information given to us, Wealth tax is not applicable. According to the information & explanation given to us, no undisputed amount in respect of aforesaid dues were outstanding as at 31<sup>st</sup> March 2015, for a period of more than six months from date they become payable
- (b) According to the information and explanation given to us, there are no material dues of Wealth Tax, Service Tax, duty of Customs and cess which have not been deposited with the appropriate Authorities on account of any disputes. However, according to the information and explanations given to us, the following dues of Income Tax, Sales Tax have not been deposited by the Company on account of disputes :

Name of the statute	Nature of Dues	Amount (₹) (Net of payment)	Financial year to which the amount relates	From where the dispute is pending
Income Tax Act	Corporate Tax	30.26 Lacs (upto 31/03/2014)	Block Assessment from 1989 to 1999	Gujarat High Court
Income Tax Act	Corporate Tax	15049 Lacs	FY 2010-11	Commissioner of Income Tax(Appeals) -IX
Guj. Sales Tax	Sales Tax	130.88 Lacs	F.Y. 2008-09	Joint. Commissioner of Commercial Tax ,Appeal-I, Ahmedabad
Guj. Sales Tax	Sales Tax	5423.55 Lacs (Net of payments)	F.Y. 1989-1990, 1990-91, 1997-1998 to 2001-02	Sales Tax Tribunal / Commercial Tax Officer



**N. K.  
Industries Ltd.**

(c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education & Protection Fund by the Company in accordance with the relevant provisions of the Companies Act,1956 (1 of 1956) and rules made there under.

(viii) *In our opinion, the accumulated losses of the Company as on 31st March 2015 are more than the fifty percent of its net worth. The Company has incurred cash loss during the current financial year and also during the immediately preceding financial year.*

(ix) As there are no loans taken by the Company during the year, the question of default in repayment does not arise.

(x) According to the information & explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institution.

(xi) According to the information & explanations given to us ,the Company has not raised any new term loans during the year

(xii) According to the information & explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our Audit.

For **Parikh & Majmudar**  
Chartered Accountants  
FR No. 107525W

Place : Ahmedabad  
Date : 23<sup>rd</sup> May, 2015

Sd/-  
[C.A (Dr) Hiten M. Parikh]  
PARTNER



**BALANCE SHEET AS AT MARCH 31, 2015**

(Amt in ₹)

Particulars	Note No.	As At 31-Mar-2015	As At 31-Mar-2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	6 00 99 000	6 00 99 000
(b) Reserves and surplus	2	(317 74 00 310)	(293 02 22 840)
<b>Sub-Total Shareholders' funds</b>		(311 73 01 310)	(287 01 23 840)
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other long-term liabilities	3	6 31 26 01 942	6 31 26 01 942
(d) Long-term provisions	4	2 31 25 291	2 13 74 660
<b>Total Non-current liabilities</b>		6 33 57 27 233	6 33 39 76 602
<b>3 Current liabilities</b>			
(a) Trade payables	5	36 34 36 868	45 81 19 657
(b) Other current liabilities	6	41 62 596	17 68 684
(c) Short-term provisions	7	18 22 100	15 54 536
<b>Total Current liabilities</b>		36 94 21 564	46 14 42 877
<b>Total Equity and Liabilities</b>		<b>3 58 78 47 487</b>	<b>3 92 52 95 639</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(a) Tangible assets		1 61 64 92 629	1 82 51 63 629
(b) Intangible assets		1 11 979	1 86 145
(c) Capital work In progress		1 28 56 341	2 02 35 389
(b) Non-current investments	8	1 62 94 60 949	1 84 55 85 163
(c) Long-term loans and advances	9	11 76 560	11 76 560
(d) Other non-current assets	10	1 21 04 59 459	1 21 04 59 459
<b>Sub-Total Non-current assets</b>		24 83 82 369	24 83 82 369
<b>2 Current assets</b>			
(a) Inventories	12	2 51 13 610	3 78 91 952
(b) Trade receivables	13	41 07 82 645	48 91 74 223
(c) Cash and Bank Balance			
Cash and cash equivalents		1 03 63 287	93 78 245
Other Cash and bank balance		36 59 298	3 95 693
(d) Short-term loans and advances	15	4 84 49 311	8 28 51 974
(e) Other Current assets		-	-
<b>Sub-Total Current assets</b>		<b>49 83 68 151</b>	<b>61 96 92 088</b>
<b>Total Assets</b>		<b>3 58 78 47 487</b>	<b>3 92 52 95 639</b>

As per our report of even date attached.

**FOR, PARIKH & MAJMUDAR**

*Chartered Accountants*

(FRNo.107525W)

**Sd/-**

**CA DR HITEN PARIKH**

*Partner*

M.NO.040230

Ahmedabad

23<sup>rd</sup> May, 2015

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

**Sd/-**

**Nimish K. Patel**

Chairman & Managing Director  
Din-00240621

**Sd/-**

**Nilesh K. Patel**

Managing Director  
Din -00244115

**Sd/-**

**Ashwin P. Patel**

Chief Financial Officer  
Ahmedabad  
23<sup>rd</sup> May, 2015

**Sd/-**

**Monica Surjani**

Company Secretary



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2015**

(Amount in ₹)

Particulars	Refer Note No.	For the Year ended on 31-Mar-2015	For the Year ended on 31-Mar-2014
<b>Revenue</b>			
Revenue from operations	16	67 09 81 930	3 54 27 48 067
Other income	17	86 02 335	2 80 81 941
<b>Total Revenue</b>		<b>67 95 84 265</b>	<b>3 57 08 30 007</b>
<b>Expenses</b>			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade	18	43 92 87 570	2 25 40 60 482
Changes in inventories of finished goods WIP and Stock-in-Trade	19	1 14 03 548	1 14 76 74 322
Employee benefits expenses	20	4 83 83 222	4 20 84 670
Finance costs	21	12 99 069	27 86 565
Depreciation and amortization expense		24 22 36 983	19 81 47 864
Less Transfer from Revaluation Reserves		-	15 09 18 606
Other expenses	22	24 22 36 983 18 34 38 785	4 72 29 258 15 17 88 646
<b>Total expenses</b>		<b>92 60 49 177</b>	<b>3 64 56 23 943</b>
<b>Profit before exceptional item</b>		(24 64 64 912)	(7 47 93 936)
<b>Exceptional Items + / (-)</b>	23	-	42 57 51 873
<b>Profit after exceptional item</b>		(24 64 64 912)	(50 05 45 809)
<b>Profit before tax for the year</b>		(24 64 64 912)	(50 05 45 809)
<b>Tax expense:</b>			
Current tax		-	-
Deferred tax		-	-
<b>Profit (Loss) for the period</b>		(24 64 64 912)	(50 05 45 809)
Earnings per equity share:			
Basic and Diluted		(41.01)	(83.29)
Significant Accounting Policies		A	
As per our report of even date attached. <b>FOR, PARIKH &amp; MAJMUDAR</b> <i>Chartered Accountants</i> (FRNo.107525W)		For and on behalf of the Board of Directors of <b>N. K. Industries Limited</b>	
<b>Sd/-</b> <b>CA DR HITEN PARIKH</b> <i>Partner</i> M.NO.040230 Ahmedabad 23 <sup>rd</sup> May, 2015		<b>Sd/-</b> <b>Nimish K. Patel</b> Chairman & Managing Director Din-00240621	<b>Sd/-</b> <b>Nilesh K. Patel</b> Managing Director Din -00244115
		<b>Sd/-</b> <b>Ashwin P. Patel</b> Chief Financial Officer Ahmedabad 23 <sup>rd</sup> May, 2015	<b>Sd/-</b> <b>Monica Surjani</b> Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH 2015

(Amount in ₹)

Particulars	As at 31-Mar-2015	As at 31-Mar-2015	As at 31-Mar-2014	As at 31-Mar-2014
<b>Cash Flow from Operating Activities:</b>				
Net Profit After Tax and Extra Ordinary Items		(246,464,912)		(74,793,936)
Adjustment for :				
Depreciation & write off		242,236,983		47,229,258
Profit on sale of assets		(1,908)		
Interest paid		1,299,069		2,786,565
Adjustment for :		(2,930,768)		(24,778,112)
Trade receivables(including loans and advances)	112,794,241		9,894,968,909	
Inventories	12,778,342		1,149,512,262	
Trade Payable (including other current liabilities)	(90,270,681)	35,301,902	(10,417,840,661)	626,640,510
Cash Generated from operating Activities		32,371,134		601,862,397
Less: Income Tax Paid		-		-
Cash flow before extra ordinary item		32,371,134		601,862,397
Extra ordinary items		-		425,751,873
<b>Net Cash Flow from Operating Activities</b>		<b>32,371,134</b>		<b>176,110,524</b>
<b>Cash Flow from Investing Activities:</b>				
Purchase of Fixed Assets	(26,923,419)		(12,273,647)	
Changes in non current assets	-		(422,061,828)	
proceeds from Sale of Fixed Assets	100,000		-	
Purchase /Sale of investment	-	(26,823,419)	250,050,000	(184,285,475)
<b>Net Cash Flow from Investing Activities</b>		<b>(26,823,419)</b>		<b>(184,285,475)</b>
<b>Cash Flow from Financing Activities:</b>				
Proceeds from Borrowing	-		-	
Interest Paid		(1,299,069)		(2,786,565)
Net Cash used in Financial Activities		(1,299,069)		(2,786,565)
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>		<b>4,248,646</b>		<b>(10,961,516)</b>
Cash & Cash equivalent as at 01 <sup>st</sup> April		9,773,938		20,735,454
<b>Cash &amp; Cash Equivalent as at 31<sup>st</sup> March</b>		<b>14,022,584</b>		<b>9,773,938</b>
<b>Note: Cash and Cash Equivalents includes:</b>				
a) Cash on hand		3,836,314		5,723,245
b) Balance with Banks in Current account		6,526,972		3,655,000
c) Balance with Banks in Fixed Deposit less than 12 months		3,659,298		395,693
		<b>14,022,584</b>		<b>9,773,938</b>

As per our report of even date attached.

FOR, PARIKH & MAJMUDAR

## *Chartered Accountants*

(FRNo.107525W)

Sd/-

CA DR

## *Partner*

M.NO.040230

Ahmedabad

23<sup>rd</sup> May, 2015

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

Sd/-

**Nimish K. Patel**  
Chairman & Managing Director  
Pin: 09240621

Dinh-00240621

**Ashwin P. Patel**  
Chief Financial Officer  
Ahmedabad

Amneabau  
23<sup>rd</sup> May, 2015

**Sd/-**  
**Nilesh K. Patel**  
Managing Director  
Pin: 390246115

Din -00244115

**Monica Surjani**  
Company Secretary



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### A. SIGNIFICANT ACCOUNTING POLICIES

#### i) BASIS OF PREPARATION

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

#### ii) Use of Estimates

The preparation of the financial statements in conformity with GAPP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### iii) RECOGNITION OF INCOME & EXPENDITURE

Revenues/Incomes and costs / expenditures are generally accounted on accrual, as they are earned or incurred. Sales are exclusive of Sales Tax / VAT collected. With regard to sale of product, Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

#### iv) FIXED ASSETS

- a) Tangible Fixed Assets are stated at revalued amount less accumulated Depreciation. Assets are revalued based on approved Valuers Report.
- b) Capital Work in Progress is stated at cost.

#### v) INVESTMENTS

Current investment if any are carried at the lower of cost or quoted/fair value. Long Term Investments are stated at cost of acquisition. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary.

#### vi) VALUATION OF INVENTORIES

- a) Raw materials, Stores & Spares, Chemicals and Trading Goods are valued at lower of cost or net realizable value.
- b) Work in progress is valued at cost of materials and labor charges together with relevant factory overheads.
- c) Finished Goods are valued at lower of cost or net realizable value .

#### vii) METHOD OF DEPRECIATION

- a) Depreciation on tangible fixed assets has been provided on straight line method in accordance useful life of the assets as prescribed in Schedule II to the Companies Act,2013.
- b) Depreciation on Plant & Machinery for expansion Project & Vehicles is provided using Written down value Method in accordance to useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
- c) Depreciation in respect of fixed assets put to use during the year/period is charged on pro-rata basis with reference to the installation of the assets.
- d) Intangible assets are amortized using straight line method over estimated useful life of 5 years.
- f) No depreciation has been provided in respect of Capital Work In Progress.
- g) No depreciation has been provided on self generated intangible assets.

#### viii) FOREIGN CURRENCY TRANSACTIONS

Transactions in the foreign currency which are covered by forward contracts are accounted for at the contracted rate; the difference between the forward rate and the exchange rate at the date of transaction is recognized in the Statement of profit & loss over the life of the contract. Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.



**ix) IMPAIRMENT OF ASSETS**

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset other than goodwill is reversed if, and only if, the reversal can be related objectively to an event occurring after the Impairment loss recognized. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment losses been recognized for the asset in prior years.

**x) TAXATION**

Income-tax expense comprise of current tax, wealth tax and deferred tax charge or credit.

Provision for current tax is made on the basis of the assessable income at the tax rate applicable for the relevant assessment year.

The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amounts of deferred tax assets are reviewed to reassess realization.

**xi) RETIREMENT BENEFITS**

**a) Short Term**

Short term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

**b) Long Term**

The Company has both defined contribution and defined benefit plans, of which some have assets in approved funds. These plans are financed by the Company in the case of defined contribution plans.

**c) Defined Contribution Plans**

These are the plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contribution to Employees Provident Fund. The Company's payments to the defined contribution plans are reported as expenses during the period under which an employee performs the services that the payment covers.

**d) Defined Benefits Plans**

Expenses for defined benefit gratuity payment plans are calculated as at the Balance Sheet date by independent actuaries in the manner that distributes expenses over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increase, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on Government Bonds with a remaining terms i.e. almost equivalent to the average balance working period of employees.

**e) Leave Encashment**

The Company has Defined Benefit plan for Post employment benefit in the form of Leave Encashment for all the employees.

**xii) CONTINGENT LIABILITY / CONTINGENT ASSETS**

a) Contingent liabilities are disclosed by way of note in the Balance Sheet.

b) Contingent Assets are neither recognized nor disclosed in the Financial Statements.

**xiii) CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The Cash flows from operating, investing and financing activities of the Group are segregated.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

**xiv) EARNING PER SHARE :**

Basic earning per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares in issue during the year. Diluted Earning Per Share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.



**1 Share Capital**

a. Details of Share Capital

<b>Particulars</b>	<b>As at 31-Mar-2015</b>		<b>As at 31-Mar-2014</b>	
	<b>Number</b>	<b>₹</b>	<b>Number</b>	<b>₹</b>
<b>Authorized</b>				
<b>Preference Share Capital</b>				
500000 (P.Y.500000) Preference shares of ₹100 each	500,000	50,000,000	500,000	50,000,000
<b>Equity Share Capital</b>				
25000000 (P.Y 25000000) Equity Share of ₹ 10 Each	25,000,000	250,000,000	25,000,000	250,000,000
		<b>300,000,000</b>		<b>300,000,000</b>
<b>Issued, Subscribed &amp; Paid up</b>				
6009900 (P.Y 6009900 )Equity Share of ₹ 10 each	6,009,900	60,099,000	6,009,900	60,099,000
<b>Total</b>	<b>6,009,900</b>	<b>60,099,000</b>	<b>6,009,900</b>	<b>60,099,000</b>

b. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

**Equity Shares**

<b>Particulars</b>	<b>As at 31-Mar-2015</b>		<b>As at 31-Mar-2014</b>	
	<b>Number</b>	<b>₹</b>	<b>Number</b>	<b>₹</b>
At the beginning of the period	6,009,900	60,099,000	6,009,900	60,099,000
Issued during the period	-	-		
<b>Outstanding at the end of the period</b>	<b>6,009,900</b>	<b>60,099,000</b>	<b>6,009,900</b>	<b>60,099,000</b>

c. Terms/rights attached to equity shares

The Company has only one class of shares i.e. equity shares having a par value of ₹10 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.

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.

d. Share holding details of the Company as at Balance Sheet date and name of persons holding more than 5% shares.

<b>Name of Shareholder/Company</b>	<b>As at 31-Mar-2015</b>		<b>As at 31-Mar-2014</b>	
	<b>No. of Shares held</b>	<b>%</b>	<b>No. of Shares held</b>	<b>%</b>
<b>Names of person holding more than 5% shares</b>				
N. K. Proteins Pvt. Ltd. (**)	367,302	6.11	367,302	6.11
Shanti Stock Holdings Pvt. Ltd.	-	-	1,313,883	21.86
N.K.Oil Mills Pvt. Ltd(*)	1,989,223	33.10	-	-
<b>Total</b>	<b>2,356,525</b>	<b>39.21</b>	<b>1,681,185</b>	<b>27.97</b>

(\*) Company remained after amalgamation of N.K Flour Mills Ltd.,N.K.Infraventures Pvt. Ltd., Shanti Stock Holding Pvt. Ltd., N.K. Roadways Pvt Ltd., N.K. Oil mills Pvt. Ltd. w.e.f 28/11/2014)

(\*\*) Formerly known as N.K. Proteins Limited.



**2 Reserves & Surplus**

Particulars	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
<b>General Reserves</b>		
Opening Balance	1,038,073	1,038,073
Closing Balance	1,038,073	1,038,073
<b>Security Premium Account</b>		
Opening Balance	90,297,000	90,297,000
Closing Balance	90,297,000	90,297,000
<b>Capital Reserve</b>		
Opening Balance	174,025,339	174,025,339
Closing Balance	174,025,339	174,025,339
<b>Revaluation Reserve (Note Below)</b>		
Opening Balance	1,588,565,815	1,944,714,793
Less:	1,588,565,815	1,944,714,793
Depreciation on Buildings (Revaluation)	-	(20,009,511)
Depreciation on Plant & Machinery (Revaluation)	-	(336,139,467)
	-	(356,148,978)
Closing Balance	1,588,565,815	1,588,565,815
<b>Surplus/(Deficit)</b>		
Opening balance	(4,784,149,067)	(4,283,603,257)
Less: Adjustment on A/c of Change in Useful life of Assets	(712,558)	-
(+) Net Profit/(Net Loss) For the current year	(246,464,912)	(500,545,809)
Closing Balance	(5,031,326,537)	(4,784,149,067)
<b>Total</b>	<b>(3,177,400,310)</b>	<b>(2,930,222,840)</b>

**Note :** Company has created Revaluation Reserve by revaluing its Land, Building and Plant & Machinery on 31/03/2012 of Total ₹ 194,47,14,794. Revaluation Reserve is not a free reserve. No dividend can be distributed out of such reserve.(Refer Note 46)

**3 Other Long-term Liabilities**

Particulars	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
Trade Payables	6,312,601,942	6,312,601,942
<b>Total</b>	<b>6,312,601,942</b>	<b>6,312,601,942</b>



**4 Long Term Provisions**

Particulars	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
<b>Provision for Employee Benefits</b>		
Provision For Leave Benefit Account	1,178,868	1,185,519
Provision For Gratuity Account	4,894,838	3,137,556
Total	6,073,706	4,323,075
<b>Others</b>		
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
<b>Total</b>	<b>23,125,291</b>	<b>21,374,660</b>

**5 Trade Payables**

Particulars	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
Creditors for Goods & Services (Refer Note No 43 )	363,436,868	458,119,657
<b>Total</b>	<b>363,436,868</b>	<b>458,119,657</b>

**6 Other Current Liabilities**

Particulars	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
Current maturities of Long-term borrowings	-	-
Other payables		
Expense payable	3,726,302	1,307,263
Other Statutory Liabilities	167,146	230,254
Advance Received from Customers	269,148	231,167
	4,162,596	1,768,684
<b>Total</b>	<b>4,162,596</b>	<b>1,768,684</b>

**7 Short-term Provisions**

Particulars	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
<b>Provision for employee benefits</b>		
Bonus	1,020,132	855,140
Gratuity	451,500	346,625
Leave Encashment	350,468	352,771
	<b>1,822,100</b>	<b>1,554,536</b>



Sr. No.	Particulars	Gross Block			Accumulated Depreciation			Net Block	
		As at 01-04-2014	Additions	Adj. during the year	As at 31-Mar-2015	As at 01-04-2014	Transfer to Reserves	Depre. charge for the year	As at 31-Mar-2015
		₹	₹	₹	₹	₹	₹	₹	₹
<b>a</b>	<b>Tangible Assets</b>								
	Freehold Land	946,816,000	5,892,833	-	952,708,833	-	-	-	952,708,833
	Buildings	424,267,664	15,157,937	-	439,425,602	71,287,029	-	24,154,583	95,441,612
	Plant and Equipment	1,311,448,160	12,368,030	-	1,324,316,189	805,872,868	108,462	213,600,825	1,019,582,155
	Furniture and Fixtures	16,180,374	361,167	-	16,541,541	5,354,838	-	1,210,304	6,565,142
	Vehicles	8,380,825	-	402,266	7,978,559	6,556,882	-	533,513	304,174
	Office equipment	10,987,107	22,500	-	11,009,607	4,388,260	604,096	2,412,473	7,404,829
	Computers	4,215,585	-	-	4,215,585	3,672,209	-	261,120	3,933,328
	<b>Total</b>	<b>2,722,295,715</b>	<b>34,302,467</b>	<b>402,266</b>	<b>2,756,195,916</b>	<b>897,132,086</b>	<b>712,558</b>	<b>242,162,817</b>	<b>304,174</b>
<b>b</b>	<b>Intangible Assets</b>								
	Computer software	631,556	-	-	631,556	445,411	-	74,166	519,577
	<b>Total</b>	<b>631,556</b>	<b>-</b>	<b>-</b>	<b>631,556</b>	<b>445,411</b>	<b>-</b>	<b>74,166</b>	<b>519,577</b>
	<b>Total</b>	<b>2,722,927,271</b>	<b>34,302,467</b>	<b>402,266</b>	<b>2,756,827,472</b>	<b>897,577,497</b>	<b>712,558</b>	<b>242,236,983</b>	<b>304,174</b>
<b>c</b>	Capital work-in-progress	20,235,389	0	7,379,048	12,856,341	-	-	-	12,856,341
	<b>Total</b>	<b>2,743,162,660</b>	<b>34,302,467</b>	<b>7,781,314</b>	<b>2,769,683,813</b>	<b>897,577,497</b>	<b>712,558</b>	<b>242,236,983</b>	<b>304,174</b>
	<b>Previous Year figures</b>	<b>2,730,889,013</b>	<b>21,297,060</b>	<b>9,023,413</b>	<b>2,743,162,660</b>	<b>699,429,633</b>	<b>-</b>	<b>198,147,864</b>	<b>-</b>
								<b>897,577,497</b>	<b>1,845,585,163</b>
									<b>2,031,459,380</b>



## 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-2015 ₹	As at 31-Mar-2014 ₹
<b>Other Investments - Unquoted</b>		
Investment in Equity instruments	5,753,060	5,753,060
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	255,826,560
Less: Provision for diminution in the value of Investments	254,650,000	254,650,000
<b>Total</b>	<b>1,176,560</b>	<b>1,176,560</b>

### A Details of Other Investments - Unquoted

Sr.	Name of the Body Corporate	No. of Shares		Amount (₹)	
		2014-15	2013-14	2014-15	2013-14
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
		460,000	460,000	4,600,000	4,600,000
	Less:				
	Provision for diminution in the value of Investments	460,000	460,000	4,600,000	4,600,000
		-	-	-	-
	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
	<b>Joint Venture Investments</b>				
	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
	Less:				
	Provision for diminution in the value of Investments	25,005,000	-	250,050,000	250,050,000
	Sub-Total	56,506	25,061,506	1,153,060	1,153,060
b	Investments in Government or Trust securities				
	NATIONAL SAVINGS CERTIFICATE			23,500	23,500
	Total			23,500	23,500
	<b>Grand Total</b>			<b>1,176,560</b>	<b>1,176,560</b>



**10 Long Term Loans and Advances**

a Dertails of Long Term Loans and Advances

Particulars	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
<b>Security Deposits</b>		
Unsecured, considered goods	9,951,250	9,951,250
<b>Long term Loans and advances to related parties</b>		
Unsecured, Considered good	-	-
Unsecured, considered doubtful	275,782,861	275,782,861
Total	275,782,861	275,782,861
Less: Provision for doubtful advances	275,782,861	275,782,861
	-	-
<b>Long-term Loans and advances to others</b>		
Long term Loans and advances to others Unsecured, considered goods	1,193,736,409	1,193,736,409
Long term Loans and advances to others -Doubtful	20,552,925	20,552,925
Total	1,214,289,334	1,214,289,334
<b>Advances to suppliers for Capital work</b>		
Advances to suppliers for Capital work Unsecured, considered goods	6,771,800	6,771,800
Less: Provision for doubtful advances	20,552,925	20,552,925
Other loans and advances to others	1,200,508,209	1,200,508,209
Total	1,210,459,459	1,210,459,459

**11 Other Non-Current assets**

Particulars	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
Trade receivables		
Unsecured, considered good	248,382,369	248,382,369
Unsecured, considered good doubtful	352,298,715	352,298,715
	352,298,715	352,298,715
Less: Provision for doubtful debts	352,298,715	352,298,715
	-	-
Total	248,382,369	248,382,369

**12 Inventories (As taken valued and Certified by a Director)**

Particulars	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
Traded Material	9,094,974	20,514,007
Spare Parts	9,834,669	8,003,885
Chemical Goods	6,183,967	9,374,061
Total	25,113,610	37,891,952



**13 Trade Receivable**

Particulars	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
Outstanding for a period less than six months from the date they are due Unsecured, considered good	212,063	67,761,447
a)	212,063	67,761,447
Outstanding for a period exceeding six months from the date they are due Unsecured, considered good	410,570,582	421,412,776
b)	410,570,582	421,412,776
<b>Total (a+b)</b>	<b>410,782,645</b>	<b>489,174,223</b>

**14 Cash and Bank Balance**

**Cash and Cash Equivalent**

Particulars	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
Balances with banks	6,526,972	3,655,000
Cash on hand	3,836,314	5,723,245
<b>Total</b>	<b>10,363,287</b>	<b>9,378,245</b>

**Other Cash Balance**

Particulars	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
Bank deposits upto 12 months maturity	3,659,298	395,693
<b>Total</b>	<b>3,659,298</b>	<b>395,693</b>

**15 Short-term Loans and Advances**

Particulars	As at 31-Mar-2015 ₹	As at 31-Mar-2014 ₹
Prepaid expense	1,091,696	845,367
Balance with government authorities	-	35,289,839
TDS Receivable	3,957,522	-
<b>Short Term Loans and advances to others</b>		
Unsecured, considered good	43,400,094	46,716,769
Total	43,400,094	46,716,769
Less: Provision for doubtful advances	-	-
	43,400,094	46,716,769
<b>Total</b>	<b>48,449,311</b>	<b>82,851,974</b>



**16 Revenue**

Particulars	For the Year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
<b>Sale of products</b>		
Traded Goods Domestic	467,322,800	3,397,666,113
Traded Goods Export	14,732,588	-
	<b>482,055,388</b>	<b>3,397,666,113</b>
Crushing Charges (TDS ₹37.79 (P.Y. ₹29.02)Lacs)	188,926,542	145,081,954
<b>Total</b>	<b>188,926,542</b>	<b>145,081,954</b>
<b>Total</b>	<b>670,981,930</b>	<b>3,542,748,067</b>

Particulars	For the Year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
<b>Traded Export</b>		
Non-Edible Oil	14,732,588	-
<b>Total</b>	<b>14,732,588</b>	-
<b>Traded Goods</b>		
Edible Oil	1,015,534	1,563,430,798
Non-Edible Oil	308,583,496	1,834,235,315
Others	157,723,770	-
<b>Total</b>	<b>467,322,800</b>	<b>3,397,666,113</b>
<b>Total(A+B)</b>	<b>482,055,388</b>	<b>3,397,666,113</b>

**17 Other Income**

Particulars	For the Year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Interest Income (TDS ₹0.21(P.Y. ₹3.29)Lacs)	310,310	3,390,441
Bank Commission Charges Recover	-	733,640
Misc. Income	1,101,607	20,925,779
Commission income	1,578,049	3,032,080
Credit Bal.Written Back	5,552,370	-
Office Rent	60,000	-
<b>Total</b>	<b>8,602,335</b>	<b>28,081,941</b>



**18 Purchase of Trading Goods**

Particulars	For the Year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
Purchase of Goods	439,278,270	2,247,897,723
Other direct purchase costs	9,300	6,162,760
<b>Cost of Goods sold</b>	<b>439,287,570</b>	<b>2,254,060,482</b>
<b>Traded Goods</b>		
Edible Oil	1,014,399	1,560,371,222
Non-Edible Oil	280,549,401	693,689,260
Others	157,723,770	-
<b>Total</b>	<b>439,287,570</b>	<b>2,254,060,482</b>

**Details imported & indigenous Trading Goods Purchased**

₹ In Lacs

Particulars	For the Year ended on 31-Mar-2015		For the year ended on 31-Mar-2014	
	₹	%	₹	%
Imported Material Consumed	-	0.00%	-	0.00%
Indigenous Material Consumed	4,392.88	100.00%	22,540.60	100.00%
<b>Total Material Consumed</b>	<b>4,392.88</b>	<b>100.00%</b>	<b>22,540.60</b>	<b>100.00%</b>

**19 Change in Inventory**

Particulars	For the Year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
<b>FSG Castor Oil</b>		
Stock at the Begining of the financial year	-	393,230,370
Stock at the End of the financial year	-	-
	-	393,230,370
<b>Castor Seed - Traded</b>		
Stock at the Begining of the financial year	13,574,010	629,390,879
Stock at the End of the financial year	-	13,574,010
	13,574,010	615,816,869
<b>DOC</b>		
Stock at the Begining of the financial year	-	18,113,093
Stock at the End of the financial year	-	-
	-	18,113,093



Particulars	For the Year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
<b>Castor Commercial Oil</b>		
Stock at the Begining of the financial year	-	11,763,969
Stock at the End of the financial year	-	-
	-	11,763,969
<b>Pale Press Castor Oil</b>		
Stock at the Begining of the financial year	-	523,366
Stock at the End of the financial year	-	-
	-	523,366
<b>Ricinolic Acid</b>		
Stock at the Begining of the financial year	92,586	1,714,361
Stock at the End of the financial year	2,392,277	92,586
	(2,299,691)	1,621,775
<b>Castor Cold Press Oil</b>		
Stock at the Begining of the financial year	-	5,073,327
Stock at the End of the financial year	-	-
	-	5,073,327
<b>12HSA</b>		
Stock at the Begining of the financial year	6,845,189	61,314,488
Stock at the End of the financial year	5,672,100	6,845,189
	1,173,089	54,469,299
<b>HCO Castor Oil</b>		
Stock at the Begining of the financial year	-	42,178,858
Stock at the End of the financial year	-	-
	-	42,178,858
<b>Glycerine</b>		
Stock at the Begining of the financial year	-	-
Stock at the End of the financial year	1,032,150	-
	(1,032,150)	-
<b>Solvent Castor Oil</b>		
Stock at the Begining of the financial year	-	4,885,619
Stock at the End of the financial year	-	-
	-	4,885,619
<b>Fly Ash</b>		
Stock at the Begining of the financial year	2,223	-
Stock at the End of the financial year	13,932	2,223
	(11,709)	(2,223)
<b>Total</b>	<b>11,403,548</b>	<b>1,147,674,322</b>



**20 Employee benefits expense**

<b>Employee Benefits Expense</b>	<b>For the Year ended on 31-Mar-2015 ₹</b>	<b>For the year ended on 31-Mar-2014 ₹</b>
Salaries and incentives	42,341,301	38,173,695
Contributions to Provident Fund, FPF and other Funds	2,739,784	2,346,507
Gratuity fund contributions	2,517,214	266,134
Leave Encashment expenses	634,021	1,044,562
Staff welfare expenses	150,902	253,772
<b>Total</b>	<b>48,383,222</b>	<b>42,084,670</b>

As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

**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:

<b>Particulars</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
Employer's Contribution to Provident Fund / Employee's Pension Fund	2,739,784	2,346,507

**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**

<b>Particulars</b>	<b>Gratuity</b>		<b>Leave Encashment</b>	
	<b>2014-15</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2013-14</b>
Defined Benefit Obligation as at 1 <sup>st</sup> April	34.84	37.26	15.39	10.96
Current Service Cost	4.22	5.91	4.78	5.23
Interest Cost	3.25	3.07	1.43	0.90
Benefits Paid	(6.55)	(5.07)	(6.43)	(6.02)
Actuarial (gain) / loss on Obligations	17.70	(6.32)	0.13	4.31
Defined Benefit Obligation as at 31 <sup>st</sup> March	53.46	34.84	15.30	15.39

**(B) Amount recognized in the Balance Sheet:**

**₹ in Lacs**

<b>Particulars</b>	<b>Gratuity</b>		<b>Leave Encashment</b>	
	<b>2014-15</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2013-14</b>
Defined Benefit Obligation as at 31 <sup>st</sup> March	53.46	34.84	15.30	15.39
Fair Value of Plan Assets as at 31 <sup>st</sup> March	-	-	-	-
Liability / (Asset) recognized in the Balance Sheet included in Current Liabilities and Provisions	53.46	34.84	15.30	10.96



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

₹ in Lacs

<b>Particulars</b>	<b>Gratuity</b>		<b>Leave Encashment</b>	
	<b>2014-15</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2013-14</b>
Current Service Cost	4.22	5.91	4.78	5.23
Interest Cost	3.25	3.07	1.43	0.90
Net actuarial (gain) / loss recognized in the period	17.70	(6.32)	0.13	4.31
Total Expenses recognized in the P & L Account included in Contribution to Provident and Other Funds	25.17	2.66	6.34	10.45

**(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:

<b>Particulars</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
(a) Discount rate [per annum]	7.95%	9.32%
(b) Expected Retirement age of employees [years]	58	58
(c) Rates of leaving service – 2% (P.Y. 3%)	2%	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**

<b>Particulars</b>	<b>For the Year ended on 31-Mar-2015 ₹</b>	<b>For the year ended on 31-Mar-2014 ₹</b>
Interest expense	1,178,720	2,732,333
Other borrowing costs	41,455	54,232
Foreign Exchange fluctuation	78,894	-
<b>Total</b>	<b>1,299,069</b>	<b>2,786,565</b>



**22 Other Expenses**

Particulars	For the Year ended on 31-Mar-2015 ₹	For the year ended on 31-Mar-2014 ₹
<b>Manufacturing Expenses</b>		
Labour Charges	29,085,523	29,631,997
Loading-Unloading Expense	207,500	662,870
Power and Fuel	39,089,507	42,001,590
Vat Reversal	4,489,745	1,506,805
Repair to Plant and Machinery	2,666,277	12,321,978
Rates and taxes, excluding, taxes on income.	4,027,281	2,683,977
Consumption of Stores, Chemicals & Packing Materials	45,999,360	37,940,169
Other Manufacturing Expenses	133,938	230,243
<b>Total Manufacturing Expenses</b>	<b>125,699,131</b>	<b>126,979,629</b>
<b>Administrative Expenses</b>		
Telephone Expenses	399,874	574,137
Professional Fees	5,467,673	5,420,947
Auditors Remuneration*	124,720	100,000
Stationery and Printings	48,613	172,728
Travelling Expenses	4,567,020	3,057,689
Insurance	1,474,703	1,986,965
Donation	2,000	100,000
Membership Fees	276,821	466,271
Repair and Maintenance - Others	377,771	1,976,792
Security Services	4,350,738	3,674,111
Vehicle Running-Repair Expense	887,144	965,131
Other Admin Expenses	3,150,092	4,942,539
Prior period expenses	36,250,292	1,029,216
<b>Total Administrative Expenses</b>	<b>57,377,461</b>	<b>24,466,525</b>
<b>Selling and Distribution Expenses</b>		
Transportation Expenses	128,485	339,992
Advertisement Expenses	59,917	2,500
Clearing Forwarding Expenses	173,790	-
<b>Total Selling and Distribution Expenses</b>	<b>362,192</b>	<b>342,492</b>
<b>Total Other Expenses</b>	<b>183,438,785</b>	<b>151,788,646</b>



**23 Exceptional Item**

<b>Particulars</b>	<b>For the Year ended on 31-Mar-2015 ₹</b>	<b>For the year ended on 31-Mar-2014 ₹</b>
Provision for Doubtful Advances	-	175,701,873
Provision for Dimunision in Shares	-	250,050,000
<b>Total</b>	<b>-</b>	<b>425,751,873</b>

<b>*Auditors Remuneration Includes</b>	<b>For the Year ended on 31-Mar-2015 ₹</b>	<b>For the year ended on 31-Mar-2014 ₹</b>
As Auditors - Statutory Audit	75,000	75,000
Tax Audit	25,000	25,000
<b>Total</b>	<b>100,000</b>	<b>100,000</b>

**24 Other details to Balance Sheet**

a Contingent Liabilities and Commitments:

<b>Particulars</b>	<b>As at 31-Mar-2015 (₹ In Lacs)</b>	<b>As at 31-Mar-2014 (₹ In Lacs)</b>
<b>Contingent Liabilities</b>		
a. Claims against the Company, not acknowledged as debts (including interest and penalty)		
- Disputed Sales Tax Demand Matter under Appeal (refer note 36)	5554.43	5554.43
- Other Claims (without considering interest liability)	1333.31	1333.31
- Disputed Income Tax Demand Matter under Appeal (refer notes 26 & 33)	15079.26	332.24
- Proceedings initiated by NSEL, Maharashtra Protection of Interest of Depositors (in financial establishments)-Act, and Directorate of Enforcement, Government of India ( refer notes 32 & 33)	Amount not ascertainable	Amount not ascertainable
b. Winding up Petition pending against the Company filed by Vemag Engg. Pvt. Ltd. for recovery of dues (refer note 30 of the financial statement)	17.38	17.38

**Note:**

- a. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/ authorities
- b. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.



25 The Company has been declared as a Sick Industrial Company by the BIFR under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985. On having settled all the compromise dues of the banks and IDBI, the BIFR has disposed off the first reference Case no. 35/1999 of the Company. It has, however, registered the Company's subsequent references and appointed Canara Bank as an Operating Agency vide its order dated 1st March, 2012 to prepare a Draft Rehabilitation Scheme (DRS) for its consideration.

26 A Search & Seizure action U/S 132 of the Income Tax Act took place on 24.2.99. The Income Tax department had raised demand of ₹ 33.12 Crores vide the block assessment Order DT. 30.4.2001. In case of Company, ITAT has subsequently given relief to the extent of ₹ 28.84 Crores. The Company's appeal before the Hon. Gujarat High Court against addition confirmed by, the Income Tax Appellate Tribunal (ITAT) of ₹ 4.28 Crores is admitted. Pending the disposal of appeal by the Hon'ble High Court, the provision for Income Tax of ₹2.88 Crores on addition confirmed by ITAT was made during F.Y.2002-03 and provision of ₹ 1.27 crore of interest payable up to 31.03.2005 was 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 1<sup>st</sup> April, 2005 till date as the Company is hopeful of getting favorable order from the High Court.

27 No provision is made during the year for interest receivable on various advances amounting to ₹2920.25 Lacs (P.Y. ₹2920.25 lacs) as the same are considered doubtful.

28 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.

29 The Company is having accumulated losses of ₹ 317.74 Crores as at 31.3.2015 and the net worth of the Company is negative. The Company is registered and declared "Sick" by Hon'ble Board for Industrial & Financial Reconstruction under SICA Act. However, The Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future. Therefore, no provision for the impairment has been made and accounts for the year have been prepared on "Going Concern Basis."

30 Winding up petition before the Hon'ble High Court of Gujarat has been filed by Vemag Engineering Pvt. Ltd. for non-payment of its dues of ₹17.38 lacs. The aforesaid Debt is disputed by the Company, and has been disclosed as a contingent liability under Note No. 24 of the notes forming part of accounts

31 In the opinion of the Board, Current Assets, 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.

32 The Company had entered into financial arrangement with National Spot Exchange Ltd (NSEL) through trading and Clearing Member, N. K. Proteins Private Limited erstwhile N. K. Proteins Limited (NKPL) (Group Company) by way of purchase and sales of various goods up to financial year 2012-13. The Trade payables as of 31.3.2015 of ₹625.88 Crores (P.Y ₹629.31 Crores) are payable to third parties and trade receivable as of 31.3.2015 of ₹ 39.22 crores are receivable towards the 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. Further, NSEL has suspended the trading on 31.07.2013 and has initiated recovery proceedings against the group company NKPL and also against the Company and the said proceedings are pending as on date. Further, the Economic Offence Wing, Mumbai (EOW), has issued notice for securing attachment of the Land, Building and Plant & Machinery of the Company located at Kadi, Gujarat under the Maharashtra Protection of Interest of Depositors (in financial establishments)-Act, 1999 (MPID Act). However, the Company has obtained a stay against the attachment order of EOW from the Hon'ble Gujarat High Court.

33 The Directorate of Enforcement, Government of India has initiated civil proceedings against the Company under section 5(1) of the Prevention of Money Laundering Act, 2002 along with group Company NKPL and by virtue of the provisional attachment order dated 3/2015 attached the assets of the Company comprising of Land, Building, Plant and Machinery situated at Survey Nos. 719, 720, 721, 732/1, 732/2, 733, 741, 743, 744, 745, Kadi Thol Road, Village Kadi Kasba, Taluka- Kadi, District Mehsana, 382715 Gujarat

34 The Income Tax Department had carried out Survey u/s 133 of the Income tax Act, 1961 (the IT Act) on the Company along with other group companies during FY 2013-14 and had ordered a Special Audit of the books of the Company u/s 142A of the IT Act, 1961, for AY 2011-12. During the year under review the Department has raised a demand of ₹150.49 crores on the Company for the aforesaid assessment year and the said demand has been disputed by the Company and the Company has initiated appellate proceedings before appropriate Authorities. The said amount has been shown as contingent liability under Note No. 24 of the notes forming part of accounts. Further, Income Tax Department has passed an order on 22.04.2015 by which it has attached properties of the Company in pursuant to a demand, the details of the properties attached which are in the name of Company is as under

1. 803, Manas Complex, Opp Star Bazaar, Nr Jodhpur Cross road, Satellite, Ahmedabad 380015
2. 603, Manas Complex, Opp Star Bazaar, Nr Jodhpur Cross road, Satellite, Ahmedabad 380015

35 The Company had entered into an arrangement with M/s Banpal Oilchem Pvt. Ltd., Palanpur, Gujarat, for acquisition of their assets and accordingly paid an advance of ₹8.69 crores towards the acquisition price, which is reflected as a part of long term loans and advances. However, the matter went into dispute and civil applications were filed by the Company for specific performance of the Contract and also for other remedies available under the law. An appeal was also preferred by the Company before the Hon'ble High Court of Gujarat and as per the order passed by the Hon'ble High Court of Gujarat the Company has deposited an amount of ₹231 lacs in the Hon'ble High Court. The said dispute is likely to be resolved amicably through out of Court compromise/ settlement between contesting parties.



**36** Sales Tax Department has completed the assessment for various assessment years and raised demand of ₹ 5554.43 lacs for the earlier previous years. The Company has not made any provision for the above demand raised by the Sales Tax Authority in view of the fact that that the Company had preferred an appeal before the Appellate Authority. The said amount has been shown as contingent liability under Note No. 24 of the notes forming part of accounts.

**37** The Ministry of Corporate Affairs (MCA) had ordered Technical Scrutiny of the Company under the provisions of Section 206 of the Companies Act, 2013 vide their letter dated 19/12/2014. In response to the said letter, the Company has filed the reply vide letter dated 12/01/2015 with ROC.

**38 Other Informations - Profit and Loss Statement**

**a Earnings per share**

Particulars	For the Year ended on 31-Mar-2015	For the year ended on 31-Mar-2014
<b>Basic</b>		
Profit attributable to equity shareholders ₹	(246,464,912)	(500,545,809)
Nominal Value of equity share ₹	10	10
Weighted average number of ordinary equity shares for Basic EPS No.	6,009,900	6,009,900
<b>Basic and Diluted EPS ₹</b>	<b>(41.01)</b>	<b>(83.29)</b>

**b Details of Prior period Items**

Particulars	For the Year ended on 31-Mar-2015	For the year ended on 31-Mar-2014
Brokerage Charges	551,500	-
Interest Income	(849,432)	-
Membership Fees	319,049	-
Staff Welfare Expenses	-	568,000
VAT Expenses	35,957,213	-
Others	271,963	461,216
<b>Total</b>	<b>36,250,292</b>	<b>1,029,216</b>

**c Earnings in foreign currency**

Particulars	For the Year ended on 31-Mar-2015	For the year ended on 31-Mar-2014
FOB VALUE OF EXPORTS	14,732,588	-

**d Expenditure in Foreign Currency Nil (Prev. Year Nil)**



**39 Related party disclosures**

**A List of related parties**

<b>Sr.</b>	<b>Name of Related Party</b>	<b>Nature of Relation</b>
<b>1</b>	AWN Agro Pvt. Ltd.	Joint Venture Company
<b>2</b>	N. K. Oil Mills Pvt.Ltd (Company remained after amalgamation of N. K. Flour Mills Ltd., N. K. Infraventures P.Ltd, Shanti stock holding Pvt. Ltd., N. K. Roadways Pvt. Ltd. & N. K. Oil Mills Pvt. Ltd )	Associated Company
<b>3</b>	N.K. Proteins Pvt. Ltd.	Group Company
<b>4</b>	Tirupati Proteins Pvt. Ltd.	Group Company
<b>5</b>	N. K. Corporation	Associated Partnership Firm
<b>6</b>	Tirupaty Realty	Associated Partnership Firm
<b>7</b>	Nimish K. Patel	Key Managerial Person
<b>8</b>	Nilesh K. Patel	Key Managerial Person
<b>9</b>	Ashwin P. Patel	Key Managerial Person(CFO)
<b>10</b>	Hasmukhbhai K. Patel	Key Managerial Person
<b>11</b>	Sonal N. Patel	Relative of Key Managerial Person
<b>12</b>	Ashita N. Patel	Relative of Key Managerial Person
<b>13</b>	Neela A. Patel	Relative of Key Managerial Person
<b>14</b>	Monica Surjani	Company Secretary

Note: Related Parties have been identified by the Management

**B Details of transactions with related party**

(₹ in lacs)

<b>Sr</b>	<b>Name of party</b>	<b>Nature of Transaction</b>	<b>2014-15</b>	<b>2013-14</b>
1	Ashwin P. Patel	Remuneration	6.00	6.00
2	AWN Agro Pvt. Ltd.	Sales	-	999.27
3	N. K. Proteins Pvt. Ltd.	Purchases/ Services	2,949.10	5,245.07
4	N. K. Corporation (Partnership)	Purchases/ Services	1.20	1.33
5	N. K. Proteins Pvt. Ltd.	Sales	3,719.59	27,558.25
6	N. K. Oil Mills Pvt. Ltd*	Purchases/ Services	-	5.75
7	N. K. Oil Mills Pvt. Ltd*	Sales	-	2.66
8	Nilesh K. Patel	Remuneration	-	0.55
9	Nimish K. Patel	Remuneration	-	0.55
10	Tirupati Proteins Pvt. Ltd.	Purchases/ Services	-	301.09
11	Hasmukhbhai Patel	Whole Time Director	4.06	0
12	Monica Surjani	Remuneration	0.52	-

(\*) N.K. Oil Mills Pvt.Ltd (Company remained after amalgamation of N. K. Flour Mills Ltd., N.K.Infraventures Pvt. Ltd., Shanti Stock Holding Pvt. Ltd , N. K. Roadways Pvt. Ltd. & N. K. Oil Mills Pvt. Ltd vide Hon'ble High Court order dated 28/11/2014)

**C Details of Closing Balances - Receivables/(Payables)**

<b>Sr</b>	<b>Name of party</b>	<b>As at 31-Mar-2015</b>	<b>As at 31-Mar-2014</b>
1	N.K Flour Mills Ltd. (Merged with NK Oil Mills Pvt. Ltd.)	-	535.88
2	N.K.Corporation (Partnership)	3,922.93	3,924.13
3	N.K.Infraventures Pvt. Ltd. (Merged with NK Oil Mills Pvt. Ltd.)	-	48.12
4	N.K.Oil Mills Pvt. Ltd. (Merged with NK Oil Mills Pvt. Ltd.)	1,117.83	320.39
5	N.K.Proteins Pvt. Ltd.	(3,835.23)	(4,232.78)
6	N.K.Roadways Pvt.Ltd. (Merged with NK Oil Mills Pvt. Ltd.)	-	111.00
7	Shanti Stock Holdings Pvt. Ltd.(Merged with NK Oil Mills Pvt. Ltd.)	-	103.08
8	Tirupati Proteins Pvt. Ltd.	2,061.29	2,061.29



## N. K. Industries Ltd.

**40** The Company had entered into a joint venture arrangement by taking 50% Equity stake in AWN Agro Pvt. Ltd (JV Entity/ Company) and made an investment of ₹ 2500.50 Lacs towards Equity Share Capital. As informed to us, because of huge loss incurred by the said entity. The Company has shown an amount of ₹ 2500.50 Lacs invested in the share capital/application money in the said joint venture Company and ₹ 1748.65 Lacs as loans and advances to the said JV entity aggregating to Rs 4249.15 lacs. However, the reconciliation /confirmation of the outstanding loans & advances amount is not made by the Company. The disclosure of Joint Venture investment as per AS-27 are as under.

Entity	Voting Rights	
	As at 31-Mar-2015	As at 31-Mar-2014
<b>AWN AGRO PRIVATE LIMITED, INDIA</b>	50%	50%
<b>Other Information</b>	₹In Lacs	₹In Lacs
Share of Assets	-	-
Share of Liabilities	-	-
Share of Gross Income	-	-
Share of Expenses	-	-
Share of Contingent Liabilities	Nil	Nil

**41** Trade receivables for more than six months include a balance of Rs 39.22 crores. In Management's view, the same is recoverable and good, as it is from its group concern and hence shown as current.

**42** Balances of Trade Receivables, Trade Payables & Loans and Advances are subject to confirmation from respective parties.

### 43 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.

- Total outstanding dues of Micro enterprises and Small Enterprises – ₹ Nil
- Total outstanding dues of the Creditors other than Micro enterprises and Small Enterprises ₹Nil (Prev. Yr Nil)

**44** No provision for Deferred Tax assets has been made as there is no virtual certainty of setting the same in near future.

**45** Pursuant to the requirement of the Companies Act, 2013, effective from 1st April, 2014 the Company has reassessed remaining useful life of the fixed assets, prescribed by Schedule II of the Companies Act, 2013 or actual useful life of the asset which ever is lower. In case of any asset whose useful life has completed as above, the carrying value (net of residual value) of ₹ 7.12 Lakhs has been adjusted in the opening balance of retained earnings as on 01-4-2014 and in other cases the carrying value has been depreciated over the remaining of the revised life of the asset and recognized in the statement of Profit and Loss.

**46** As per a guidance note to Schedule II of the Companies Act 2013, the Company has not transferred the amount equivalent to the additional depreciation on account of upward revaluation to general reserve, the whole amount will be transferred at the time of sale or disposal of the assets.

### 47 Previous years comparatives

The previous year's figures have been regrouped reworked, rearranged and reclassified wherever necessary to make them comparable with current year figures.

As per our report of even date attached.

**FOR, PARIKH & MAJMUDAR**

*Chartered Accountants*  
(FRNo.107525W)

**Sd/-**  
**CA DR HITEN PARIKH**

*Partner*  
M.NO.040230

Ahmedabad  
23<sup>rd</sup> May, 2015

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

**Sd/-**  
**Nimish K. Patel**  
Chairman & Managing Director  
Din-00240621

**Sd/-**  
**Ashwin P. Patel**  
Chief Financial Officer  
Ahmedabad  
23<sup>rd</sup> May, 2015

**Sd/-**  
**Nilesh K. Patel**  
Managing Director  
Din -00244115

**Sd/-**  
**Monica Surjani**  
Company Secretary



**N. K.  
Industries Ltd.**

## **N. K. INDUSTRIES LIMITED**

**Registered Office: 7<sup>th</sup> Floor, Popular House, Ashram Road, Ahmedabad – 380 009**  
**Tel: 079-66309999, Email: nkil@nkproteins.com, fax: 079-66309913**  
**CIN: L91110GJ1987PLC009905**

## ATTENDANCE SLIP FOR THE 27<sup>TH</sup> ANNUAL GENERAL MEETING

(TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

**Folio No./DP ID/Client ID**

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

**Number of Shares Held** : \_\_\_\_\_

**Name of Shareholder** \_\_\_\_\_

**Name of Proxy / Authorised Representative :** \_\_\_\_\_

I hereby record my presence at the 27<sup>th</sup> Annual General Meeting held at 4.00 p.m. on 26<sup>th</sup> September, 2015 at ATMA Hall, Ashram Road, Navrangpura, Ahmedabad -380009.

**Signature of Member / Proxy / Authorised Representative attending the meeting** \_\_\_\_\_





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**Form No. MGT- 11  
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L91110GJ1987PLC009905

Name of the Company : N. K. INDUSTRIES LIMITED

Registered office : 7<sup>th</sup> Floor, Popular House, Ashram Road, Ahmedabad 380 009.

Name of Member(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

E-mail Address : \_\_\_\_\_

Folio No. | Client ID : \_\_\_\_\_

DP Id : \_\_\_\_\_

**I/We, being the member (s) of N. K. Industries Limited, holding \_\_\_\_\_ shares of the above named Company, hereby appoint**

1. Name \_\_\_\_\_

Address \_\_\_\_\_

Email Id \_\_\_\_\_

Signature \_\_\_\_\_

or failing him,

2. Name \_\_\_\_\_

Address \_\_\_\_\_

Email Id \_\_\_\_\_

Signature \_\_\_\_\_

or failing him,

3. Name \_\_\_\_\_

Address \_\_\_\_\_

Email Id \_\_\_\_\_

Signature \_\_\_\_\_

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27<sup>th</sup> Annual General Meeting of the Company, to be held on the 26<sup>th</sup> day of September, 2015 At 4.00 P.M. at ATMA Hall, Ashram Road, Navrangpura, Ahmedabad – 380 009 and at any adjournment thereof in respect of such resolutions as follows:

**P.T.O.**

Resolution No.	Resolution
	<b>Ordinary Business</b>
1.	To receive and adopt Audited Balance Sheet as at 31 <sup>st</sup> March, 2015 and the Profit and Loss Statement for the year ended on that date together with all annexures and attachments thereto including the Auditor's Report and the Directors' Report thereon.
2.	To appoint a Director in place of Mr. Hasmukh K. Patel (DIN: 06587284), who retires by rotation and, being eligible, offers himself for re appointment.
3.	To ratify appointment of Auditors of the Company to hold office from the conclusion of this Annual General Meeting i.e. 27 <sup>th</sup> AGM till the conclusion of the 28 <sup>th</sup> Annual General Meeting and to fix their remuneration.
	<b>Special Business</b>
4	To pass Special Resolution for Alteration of Articles of Association of the Company.
5	To pass Special Resolution approving payment of remuneration to Mr. Nimish K. Patel, Chairman and Managing Director of the Company.
6	To pass Special Resolution approving payment of remuneration to Mr. Nilesh K. Patel, Managing Director of the Company.
7	To pass Ordinary Resolution approving appointment and payment of remuneration to M/s. N D Birla & Co., Cost Accountants for the year 2015-16.
8	To pass Special Resolution for approving related party transactions of the Company under Section 188 of the Companies Act, 2013.
9	To pass Special Resolution under Section 186 of the Companies Act, 2013, to make loan(s) and/or give any guarantee(s)/ provide any security(ies) in connection with loan(s) made to and to make investments in Shares, Debentures and/or any other Securities of other body corporate and all other loan, investment, guarantee or security covered by Section 186 of the Companies Act, 2013, in excess of 60% of the paid up share capital, free reserves and security premium of the Company or 100% of the Free Reserves and security premium of the Company whichever is more.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxyholder(s)

Affix  
Revenue  
Stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.



## **N. K. Industries Ltd.**

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If undelivered, please return to :

**N. K. Industries Limited**  
(CIN : L91110GJ1987PLC009905)

**Registered Office :**  
7th Floor, Popular House,  
Ashram Road, Ahmedabad-380009