



**N.K.  
Industries Ltd**

24<sup>th</sup> July, 2017

<b>To,</b> <b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot C-1, 'G' Block, ISB Centre, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051. <b>Company Code No. NKIND</b>	<b>To,</b> <b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.  <b>Company Code No. 519494</b>
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Dear Sir/Madam,

**Sub: Annual Report – 2016-17**

In accordance with the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the copy of Annual Report for the Financial Year 2016-17 duly approved and adopted by the Shareholders of the Company at the 29<sup>th</sup> Annual General Meeting held on Saturday, 22<sup>nd</sup> July, 2017.

Kindly take the same on record.

Thanking You.

**Yours faithfully,**  
**For N K INDUSTRIES LIMITED**

**MS. AKANKSHA SRIVASTAVA**  
**(Company Secretary & Compliance Officer)**



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

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CIN No. : L91110GJ1987PLC009905



# N. K. Industries Ltd.

Nobody Understands Castor Oil Like Us...



ANNUAL REPORT **2016-17**



# Corporate Information

CIN L91110GJ1987PLC009905

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

Shri Nimish K. Patel DIN: 00240621	<i>Chairman &amp; Managing Director</i>
Shri Nilesh K. Patel DIN: 00244115	<i>Managing Director</i>
Shri Hasmukh K. Patel DIN: 06587284	<i>Whole-Time Director</i>
Ms. Mridu Sharma DIN: 07591599	<i>Independent Woman Director</i>
Shri Jaimin V. Modi DIN: 00113689	<i>Independent Director</i>
Dr. Bharat J. Patel DIN: 00944269	<i>Independent Director</i>
Shri Bhawani Singh Yadav DIN: 00323601	<i>Additional Director</i>
Ms. Akanksha Srivastava	<i>Company Secretary</i>
Shri Ashwin P. Patel	<i>Chief Financial Officer</i>

## AUDITORS:

M/s Parikh & Majmudar,  
Chartered Accountants,  
Ahmedabad

## REGISTERED OFFICE:

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

## FACTORY:

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

## BANKERS:

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

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## NOTICE to the 29<sup>th</sup> Annual General Meeting

Notice is hereby given that the 29<sup>th</sup> Annual General Meeting (AGM) of the members of N. K. Industries Limited will be held on Saturday, the 22<sup>nd</sup> day of July, 2017, at 11.00 A.M. IST at ATMA Hall 1006, Ashram Road, Mill Officer's Colony, Vishalpur, Ellisbridge, Ahmedabad, Gujarat 380009, to transact the following business:

### ORDINARY BUSINESS:

#### Item No. 1 - Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the financial year ended on 31<sup>st</sup> March, 2017 and the Report of Board and Auditors' thereon.

#### Item No. 2 – Appointment of Director liable to retire by rotation

To appoint a Director in place of Mr. Nilesh K. Patel (DIN: 00244115), who retires by rotation and being eligible, offers himself for re-appointment.

#### Item No. 3 – Ratification of Appointment of Auditors

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

**“RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s. Parikh and Majmudar, Chartered Accountants (Firm Registration No. 107525W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of 30<sup>th</sup> AGM (i.e. for a period of one year).

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

### SPECIAL BUSINESS:

#### Item No. 4 – To approve the remuneration of Cost Auditors for the year 2017-18

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, 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), M/s. N.D. Birla & Co. , Cost Accountants, appointed as Cost Auditors by the Board of Directors, to conduct the audit of the cost records of the Company for the financial year 2017-18, be paid a 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 are hereby authorized to do all such acts and take all such steps as may be necessary or expedient to give effect to this resolution.”

#### Item No.5 – To approve the related party transactions of the Company under Section 188 of the Companies Act, 2013

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 r.w. Rule 15 (3) of the Companies (Meetings of Board and its powers) Rules, 2014 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval 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	₹ 200 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 transaction 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.”

#### Item No. 6 – To appoint Mr. Bhawani Singh Yadav (DIN: 00944269) as an Independent Director

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV of the Companies Act, 2013 (including any statutory modification(s) re-enactment



thereof for the time being in force), and any other applicable provisions, Mr. Bhawani Singh Yadav (DIN: 00944269), who has been appointed as an Additional Director in the meeting of the Board of Directors held on 12th November, 2016 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Bhawani Singh Yadav (DIN: 00944269) as a candidature for the office of the Independent Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years w.e.f 1st August, 2017, and whose office shall not be liable to retire by rotation"

**By Order of the Board of Directors**

**Date : 8<sup>th</sup> May, 2017**  
**Place : Ahmedabad**

**Nimish K. Patel**  
**Chairman & Managing Director**

**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 will be entitled to vote.
7. The Share Transfer Books and Register of Members of the Company will remain closed from Saturday, the 15<sup>th</sup> July, 2017 to Saturday, the 22<sup>nd</sup> July, 2017, 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.
10. Information and other instructions relating to e-voting are as under:

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 Regulation 44 of Listing Regulations, 2015 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')

The instructions for shareholders voting electronically are as under:

- i) The voting period begins on 19<sup>th</sup> July, 2017 at 09:00 A.M. and ends on 21<sup>st</sup> July, 2017 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15<sup>th</sup> July, 2017 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:

For Members holding shares in Demat Form and Physical Form	
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>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both 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 to be also 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: N K Industries Limited > 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii) If a demat account holder has forgotten the login 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) Shareholders can also use Mobile app - "m-Voting" for e voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s).
- xix) **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 linked in the login 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.
- xx) 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:**

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, 2018. 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 Act 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.4 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending on March 31, 2018.

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 Resolution as set out at Item No. 4 of the Notice for approval by the members.

**In respect of Item No. 5:**

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 the 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 shall 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 of Directors recommends the resolution set forth in item No. 5 for approval of the Members.

Mr. Nimish K. Patel, Mr. Nilesh K. Patel and Dr. Bharat J. 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.

**In respect of Item No.6:**

The Board appointed Mr. Bhawani Singh Yadav (DIN: 00944269) as an Additional Director of the Company at the meeting held on 12th November, 2016 in compliance with the requirements of Section 161(1) of the Companies Act, 2013.

As per section 160 of the Companies Act, 2013, a special notice has been received from one of the shareholders of the Company proposing name of Mr. Bhawani Singh Yadav (DIN: 00944269) as an Independent Director of the Company and who shall not be liable to retire by rotation.

The Nominations & Remuneration Committee has recommended the appointment of Mr. Bhawani Singh Yadav (DIN: 00944269) as an Independent Director of the Company and has given (a) consent in writing to act as director in Form DIR-2 pursuant to rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (b) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 and (c) declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act.

In the opinion of the Board, Mr. Bhawani Singh Yadav (DIN: 00944269) fulfill the conditions as specified in the Act and the Rules framed thereunder for appointment of an Independent Director and he is independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mr. Bhawani Singh Yadav (DIN: 00944269) as an Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of Mr. Bhawani Singh Yadav (DIN: 00944269) shall be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Mr. Bhawani Singh Yadav (DIN: 00944269) is interested in this resolution since it relates to his appointment as an Independent Director of the Company.

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

**By Order of the Board of Directors**

**Date : 8<sup>th</sup> May, 2017  
Place : Ahmedabad**

**Nimish K. Patel  
Chairman & Managing Director**



## Additional information on Directors recommended for appointment / re-appointment.

### Brief Profile of Mr. Nilesh K. Patel:

As a proficient mentor and leader, Mr. Nilesh Patel has nurtured the Company since the day of its inception. In his career of over 2 decades, he has created a high-end technical team of experts that is driving the company to its success journey. He is closely involved in material procurement process as one of the core areas for a company dealing in Oil Industry.

Mr. Nilesh Keshavlal Patel being the Managing Director is responsible for observing the overall management and growth of the Company.

### Further Details of Mr. Nilesh K. Patel:

Particulars	Mr. Nilesh K. Patel
Date of Birth	23/03/1965
Date of Appointment	19/08/1987
Qualification	B.A
Directorships held in other companies	N K Oil Mills Private Limited Banpal Oilchem Private Limited N K Proteins Private Limited The Solvent Extractors Association of India
No. of Memberships/Chairmanships of committees of other companies	N.A
Number of shares held in the Company	104557

### Brief Profile of Mr. Bhawani Singh Yadav

Mr. B. S. Yadav is a first class Chemical Engineering graduate. He has completed his engineering from Harcourt Butler Technologies Institute Kanpur, a renowned & the first Chemical Engineering Institute of India in the year 1978. He has having vast experience of over 38 years in area of technical and management responsibilities. He had held the position of CEO & Managing Director of an Indian Subsidiary of a French MNC operating in oil and gas sector. Owing to his high profile, technical acumen, economic sense & sharp management skills, the Management of the Company is confident that Mr. B. S. Yadav will make significant contributions to the growth & profitability of the Company.

### Further Details of Mr. Bhawani Singh Yadav:

Particulars	Mr. Bhawani Singh Yadav
Date of Birth	10/02/1956
Date of Appointment (As an Additional Director)	12/11/2016
Qualification	Graduate in Chemical Engineering
Directorships held in other companies	Nil
No. of Memberships/Chairmanships of committees of other companies	Nil
Number of shares held in the Company	Nil





## BOARD'S REPORT

To,  
The Members,

Your Directors are pleased to present the 29<sup>th</sup> Annual Report along with the Standalone and Consolidated Audited Financial Statements of your Company for the Financial Year ended on March 31, 2017.

### OVERVIEW OF THE ECONOMY

India, being the single largest producer of castor seed in the world, is likely to witness a decline in the crop output after the farmers shifted to other remunerative crops during the kharif of 2016. In Gujarat, the largest producer of castor seed, a drop of over 27% was recorded in the quantity of production. Castor seed prices are largely dictated by the export scenario of castor oil. According to The Solvent Extractors Association of India (SEA), the export of castor oil decreased by 11% during April, 2016 to March, 2017. Further India had exported about 4,54,445 tones of castor oil during the year 2016-17 as against 5,43,274 tones in corresponding period of 2015-16.

The Company is focused on producing the basic castor oil grades. The Company is also engaged in trading of castor oil derivatives mainly HCO which the Company gets made on job work basis. The Company is also manufacturing other derivatives viz. 12 HAS and ricinic acid etc, The Company has a capacity to crush over 27000 MT of castor seed per month. It is currently (Mar 2017) operating with crushing capacity of castor seed excess of 21000 MT per month.

*(Note: The data mentioned herein above are provided as available from statistics provided in public domain on the website of The Solvent Extractors Association of India.)*

### FINANCIAL RESULTS

The financial highlight is depicted below:

(₹ In Lacs)

PARTICULARS	Standalone		Consolidated	
	Year Ended 31.03.2017	Year Ended 31.03.2016	Year Ended 31.03.2017	Year Ended 31.03.2016
Revenue from operations (Net)	9058.86	8403.42	10805.72	10436.55
Other Income	181.24	67.18	188.85	84.68
<b>Total Income</b>	<b>9240.1</b>	<b>8470.61</b>	<b>10994.57</b>	<b>10521.23</b>
Total Expenditure	8656.20	7466.70	10365.14	9781.45
<b>Profit / (Loss) before Tax &amp; Depreciation</b>	<b>583.9</b>	<b>1003.91</b>	<b>629.43</b>	<b>739.79</b>
Less : Depreciation	1192.25	1245.25	1260.92	1330.55
Less: Provision for taxation	-	-	-	-
<b>Profit/ (Loss) before interest &amp; exceptional items</b>	<b>(608.35)</b>	<b>(241.34)</b>	<b>(631.49)</b>	<b>(590.77)</b>
Finance Cost	0.04	1.57	0.13	2.76
<b>Profit/(Loss) before Exceptional Items</b>	<b>(608.39)</b>	<b>(242.91)</b>	<b>(631.62)</b>	<b>593.53</b>
(Add)/ Less: Exceptional Items	-	-	-	-
<b>Profit/(Loss) before prior period items and tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deduct : Prior Period Adjustment (Taxation)	-	-	-	-
<b>Profit/(Loss) before tax for the year</b>	<b>(608.39)</b>	<b>(242.91)</b>	<b>(631.62)</b>	<b>(593.53)</b>
Add/ (Less): Deferred Tax	-	-	3.24	160.06
<b>Profit / (Loss) for the year</b>	<b>(608.39)</b>	<b>(242.91)</b>	<b>(628.38)</b>	<b>(433.47)</b>

Note: The above figures are extracted from the standalone and consolidated financial statements.

### PERFORMANCE HIGHLIGHTS

The key aspects of your Company's standalone and consolidated performance during the financial year 2016-17 are as follows:

#### REVENUE STANDALONE

The income from operations on a Standalone basis increased to 9058.86 lacs from ₹ 8403.42 lacs in the previous year at a growth rate of 7.24%. Net loss for the year increased from (₹ 242.91) lacs to (₹ 608.39) lacs in the current year.

#### REVENUE CONSOLIDATED

The income from operations on a consolidated basis increased to ₹ 10805.72 lacs from ₹ 10436.55 lacs in the previous year. Net loss for the year increased from (₹ 433.47) lacs to (₹ 631.62) lacs in the current year.



#### SUBSIDIARY/ JOINT VENTURE COMPANIES

Your Company has two wholly owned subsidiaries as on 31<sup>st</sup> March, 2017. The Board of Directors also reviewed the affairs of the Subsidiary Companies. In accordance with the provisions of Section 129(3) of the Companies Act, 2013, we have prepared Consolidated Financial Statements of the Company and its Subsidiaries, which forms part of this Annual Report. The accounts of Joint Venture i.e. AWN Agro Private Limited has not been consolidated for the current year. The reason for non-consolidation is due to discontinuation of control on the management and financial affairs of the Joint Venture Company. Further, a statement containing the salient features of the financial statements of our Subsidiary Companies and a Joint Venture Company in the prescribed format **AOC-1** is appended as "**Annexure-A**" to the Board's report.

#### SHARE CAPITAL

The paid up Equity Share Capital of the Company as at March 31, 2017 stood at ₹ 6,00,99,000. 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, 2017, 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 2016-17 owing to accumulated losses of the Company. In view of this, your Company was unable to transfer any funds to the Reserves and Surplus Account.

#### FIXED DEPOSITS

The Company has neither invited nor accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 from the public during the year ended March 31, 2017. There were no unclaimed or unpaid deposits as on March 31, 2017.

#### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188.

All related party transactions entered into during FY 2016-17 were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All related party transactions are placed before the Audit Committee for review and approval of the Committee and also to the Board for approval. The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is available on the Company's website.

The details of related party transactions entered into by the Company are provided in Form **AOC-2** given as "**Annexure B**" of Board's Report. 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.

#### MATERIAL CHANGES AND COMMITMENT 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

There are no material changes and commitment affecting the financial position of the Company occurred between the end of the financial year and date of this report.

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORTS

In terms of the Regulation 34(e) read with Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, **Management Discussion and Analysis** is set out in this Annual Report as "**Annexure C**".

#### PARTICULARS OF EMPLOYEES

Disclosure pertaining to remuneration and other details as required under section 197(12) of the Act, read with Rule 5(1) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report "**Annexure D**". 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.

#### 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(6) of the Companies Act and Articles of Association, Mr. Nilesh K. Patel (DIN: 00244115) Managing Director of the Company, shall retire by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting of the Company.



Further during the year under review the following changes occurred in the composition of Board of the Company:

1. Mrs. Neha Modi (DIN: 07171193) resigned w.e.f 11<sup>th</sup> August, 2016 and Ms. Mridu Sharma (DIN: 07591599) was appointed as an Independent Woman Director w.e.f 11<sup>th</sup> August, 2016 in casual vacancy caused by the resignation of Mrs. Neha Modi (DIN: 07171193).
2. Mr. Bhawani Singh Yadav (DIN: 00323601) has been appointed as an additional director of the Company w.e.f. 12<sup>th</sup> November, 2016. The Notice of the ensuing Annual General Meeting comprises of an agenda for appointment of Mr. Bhawani Singh Yadav as an Independent Director for a term of five consecutive years subject to the approval of members.

#### NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The details of the number of meetings of the Board held during the financial year are as follows:

##### Board Meetings held during the year 2016-17

Sr. No.	Date of Board Meeting
1	21-05-2016
2	11-08-2016
3	12-11-2016
4	11-02-2017

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

As per Schedule IV of the Companies Act, 2013, a separate meeting of Independent Director was on 7<sup>th</sup> March, 2017 at 11.30 A.M. at registered office of the company situated at Ahmedabad to discuss the agenda items as required under the Companies Act, 2013.

The names of member of the Board and their attendance at the Board Meetings are as under:

Sr. No.	Name of directors	Number of Meetings Attended / Total Meetings held during the year 2016-17
1.	Mr. Nimish K. Patel (Chairman and Managing Director)	4/4
2.	Mr. Nilesh K. Patel (Managing Director)	4/4
3.	Mr. Hasmukh K. Patel (Whole Time Director)	4/4
4.	Dr. Bharat J. Patel (Independent Director)	4/4
5.	Mr. Jaimin Modi (Independent Director)	4/4
6.	Mrs. Neha Modi* (Independent Women Director)	1/4
7.	Mr. Bhawani Singh Yadav** (Additional Director)	2/4
8.	Ms. Mridu Sharma* (Independent Women Director)	3/4

\* Mrs. Neha Modi resigned as a Director w.e.f 11<sup>th</sup> August, 2016 and Ms. Mridu Sharma was appointed as an Independent Woman Director in casual vacancy caused due to the resignation of Mrs. Neha Modi.

\*\* Mr. Bhawani Singh Yadav had been appointed as an additional director w.e.f. 12<sup>th</sup> November, 2016.

#### APPOINTMENT AND RESIGNATION OF KEY MANAGERIAL PERSONNEL

During the year under review, the following changes that occurred in the post of Company Secretary:

Sr. No.	Name of the Person	Designation	Date of Appointment/Resignation
1	Ms. Akanksha Srivastava	Company Secretary & Compliance Officer	12 <sup>th</sup> November, 2016 (Appointment)
2	Ms. Heena P. Jain	Company Secretary & Compliance Officer	17 <sup>th</sup> October, 2016 (Resignation)

#### NOMINATION AND REMUNERATION POLICY

The Policy of the Company on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, Independency of a Director and other matters provided under sub-section (3) of section 178 of The Companies Act, 2013, adopted by the board is available on the website i.e. <http://www.nkindustriesltd.com/Governance.html> We affirm that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy 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 Company are given in the notes to investments in the financial statements.

#### 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.

#### BOARD EVALUATION

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.

The Board approved the evaluation results as allotted by the Nomination and remuneration committee. The Companies Act, 2013 states that the formal annual evaluation needs to be made by board of its own performance.

#### COMMITTEES OF 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 relevant provisions of Companies Act, 2013.

Name of the Committee	Composition of the Committee	Highlights of duties, responsibilities and activities
Audit Committee (This disclosure is as per section 177 (8) of Companies Act, 2013)	Shri Jaimin Modi (Chairman) Shri Nilesh K. Patel Dr. Bharat J. Patel	<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 or suspected fraud, or violation of the Company's Code of Conduct and Ethics.</li> <li>In accordance with the requirements of the Companies Act, 2013, the Company has formulated policies on related party transactions. The policies, including the Vigil Mechanism Policy, are available on our website:- <a href="http://www.nkindustriesltd.com/Governance.html">http://www.nkindustriesltd.com/Governance.html</a></li> </ul>
Nomination and Remuneration Committee	Shri Jaimin Modi (Chairman) Shri Nimish K. Patel Dr. Bharat Patel	<ul style="list-style-type: none"> <li>The Committee oversees and administers executive compensation, operating under a written charter adopted by our Board of Directors.</li> <li>The Committee has designed and continuously reviews the compensation program for our Directors with business objectives and to link compensation with the achievement of measurable performance goals.</li> <li>The Nomination and Remuneration Committee has framed the nomination and remuneration policy. The said policy is available on the website of the Company <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 Hasmukh K. Patel Mrs. Neha Modi (upto 11 <sup>th</sup> August, 2016) Ms. Mridu Sharma (w.e.f 11 <sup>th</sup> August, 2016)	<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 during the year have been resolved.</li> </ul>
Corporate Social Responsibility Committee (This disclosure is as per section 135 (2) of Companies Act, 2013)	Dr. Bharat J. Patel (Chairman) Shri Nimish K. Patel Mrs. Neha Modi (upto 11 <sup>th</sup> August, 2016) Ms. Mridu Sharma (w.e.f 11 <sup>th</sup> August, 2016)	<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**

Accordingly, pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability confirm that:

- i) In the preparation of the annual accounts for the year ending March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- ii) The directors have selected such accounting policies and applied them consistently and made judgements 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 annual accounts have been prepared on going concern basis;
- v) The Directors have laid down internal financial controls, which are adequate and are operating effectively.
- vi) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system was adequate and operating effectively.

#### **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 written consent from them 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 Standalone Report for which the Board of Directors hereby give 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 balance of trade receivables and trade payables arising out of the transactions through NSEL, the same cannot be confirmed pursuant to the pendency of litigations as the matter is still pending before the respective authorities.
  - Further, the Home Department, Government of Maharashtra has issued a notification under the MPID Act, 1999 securing the attachment of Land & Building and Plant & Machinery of the Company. The Company had challenged the notification issued by the Home Department, Government of Maharashtra, before the Hon'ble High Court of Gujarat. The Hon'ble Gujarat High Court had disposed off the application of the Company vide its order dated 29<sup>th</sup> March 2017. Against this, the Company had preferred a Special Leave Petition before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India had disposed off the Special Leave Petition on 17/04/2017, with an observation to file an application before the Hon'ble Bombay High Court. The Company is in the process of filing the application before the Bombay High Court. The matter is sub-judice.
- ii. With respect to point no.2 of qualified opinion of Auditors Report, it is hereby clarified that the Company has preferred an appeal before the Hon'ble Appellate Tribunal under the Prevention of Money Laundering Act, 2002. The matter is sub-judice.

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

1. Though the net worth of the Company is negative the Company is making sincere efforts for the revival of the business of the Company whereby it is making continues efforts to increase the volumes as well as to generate comprehensive margins from the business and thereby revive the business.
2. During the year under review, the Income Tax Department has raised a demand of ₹7.97 crores on the Company for the Assessment Year 2013-14 making the demand of ₹ 132 crores in aggregate. 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 in the Auditors in their Report.
3. With respect to the survey carried out u/s 133 of the Income Tax Act in 1999 and in response to the orders passed by 1<sup>st</sup> Appellate authority and 2<sup>nd</sup> Appellate Authority subsequently with respect to survey proceedings the Company preferred Application to the Hon'ble High Court of Gujarat which was disposed off by the Hon'ble Court vide its order dated 20/06/2016 after giving relief on certain ground and dismissing certain ground. The Said order was challenged on before the Hon'ble Supreme Court which was rejected by the Hon'ble Supreme Court. The Company has already provided for interest and tax in earlier years towards the said demand. It is



further stated that the effect order giving effect to Order of Hon'ble Gujarat High Court is pending to be received from the department. Once the order is passed the net effect will be a refund to the Company and hence there is no need to make any further provision in the books of accounts.

4. The demand raised by the Sales Tax Authorities is disputed in view of the fact that the Company has preferred an appeal before the Appellate Authority and the Company has shown the said liability as Contingent Liability under Note No. 36 of the notes forming part of the Accounts. In this view the Company has not made any provision for the said disputed liability.
5. The Company was registered as a Sick Unit by the Hon'ble Board for Industrial & Financial Reconstruction (BIFR) under the SICA Act. Further, as the SICA Act had been repealed with effect from 01/12/2016 the Company is required to submit its application to National Company Law Tribunal (NCLT) as per the provisions of the SICA Repeal Act. However till date, the Company has not submitted its Scheme to the Hon'ble NCLT.
6. As explained by the Auditors in their report at point no. 5 the Company has sent letters obtaining confirmation of balances to various parties but replies thereto are still awaited.

There are no additional qualifications made by the Auditors in their Consolidated Report other than as qualified in the Standalone Report.

Further the Auditors of the Company has emphasized on some additional points in their Consolidated Auditors Report on which the management has to reply as under:

1. As explained earlier at point no. i above, N K Proteins Private Limited (N K Proteins Limited) was a trading cum clearing member of National Spot Exchange (NSE). In the said matter NSEL has filed a recovery suit in Bombay High Court against N K Proteins Private Limited and others. N K Oil Mills Private Limited was neither a trading member nor a client of N K Proteins Private Limited. In this regard a Notice of Motion is filed before the Hon'ble Bombay High Court on behalf of N K Oil Mills Private Limited and the matter is sub-judice
2. The Home Department, Maharashtra has through notification under the Maharashtra Protection of Interest of Depositors Act, 1999, attached the properties of Banpal Oilchem Private Limited as mentioned by the Auditors. The Company is in the process of filing objections before the Hon'ble High Court of Gujarat.
3. The Directorate of Enforcement had through a provisional attachment order dated 27/08/2014, attached the assets of the Company, however the Company has challenged the said attachment order before the PMLA Appellate Tribunal, New Delhi and the matter is sub-judice.
4. Income tax department has attached the properties mentioned in the Emphasis of Matter against the outstanding tax demands pertaining to FY 2007-08 to FY 2012-13. With respect to the said outstanding demands it is stated that all the demands are disputed demands and has been challenged by the Company at various appellate forums. The subsidiary Company is hopeful of obtaining favourable order from the Appellate Authorities. On receipt of the favorable order the demand would be deleted and attachment shall vacate.
5. In view of the fact that the Management of our Company do not have any control in the Joint Venture viz. AWN Agro Pvt. Ltd and as per the exemption provided under the provisions of the Companies Act, 2013 and the Accounting Standards 21 & 27, consolidation of the accounts of AWN Agro Pvt. Ltd. is not required by our Company.

Clarification with regard to the remark in point no. (i)(c) of the CARO (Report) annexed with the Auditors Report on standalone financial statements.

- i. With reference to the said remark it is to be clarified that the Company is in process of transferring the properties as mentioned by the Auditors in their report in its name.

## ii. Secretarial Auditor

In terms of Section 204 of the Companies Act, 2013 and (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Riddhi Khaneja & Associates, Practicing Company Secretary has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed as "Annexure-E" to this report. The report is self-explanatory and does not call for any further comments.

During the year under review, there was a change in the Secretarial Auditor of the Company.

## iii. 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 2017-18. As required under the Companies Act, 2013, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening Annual General Meeting.

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

1. The Hon'ble Gujarat High Court had disposed off the application of the Company filed against the attachment notification issued by the Home Department, Government of Maharashtra dated 29/03/2017. Against this the Company preferred a Special Leave Petition before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court had disposed off the said SLP on 17/04/2017 with a observation to file an application before Hon'ble Bombay High Court.



2. The Income Tax Department passed an order treating the holding Company i.e. N.K. Industries Limited as assessee in default under section 220 (6) (x) with respect to the demand of Banpal Oilchem Pvt. Limited (i.e. Wholly Owned Subsidiary). The Company filed a special civil application before the Hon'ble Gujarat High Court challenging the said order. The said special civil application of the Company was admitted by the Hon'ble Gujarat High Court and the order of the Income Tax Department dated 10/06/2016 is set aside.
3. On an application regarding withdrawal of suit filed by N K Industries Limited in earlier years against Banpl Oilchem Private Limited the Commercial Court by disosing the Commercial suit No. 183/2016 as ordered to maintain status-quo with respect to amount of Rs. 2.31 Crores deposited with City Civil Court, Palanpur on the direction of Hon'ble Gujarat High Court. The said amount as per the order of the Commercial Court Shall be released subject to the outcome of the appeal filed against the order of the Income Tax Department.

#### 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-F**" 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>.

#### 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 Auditor M/s. ADPRDP & Associates, Chartered Accountants to submit Internal Audit reports 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 strengthens the controls. Significant audit observations and recommendations along with corrective actions, if any, thereon are presented to the Audit Committee of the Board.

#### 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 Earning and Outgo:**

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

<b>Year 2016-17</b>	<b>Amount in ₹</b>
Foreign Earnings	-
Foreign Outflow	-

**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.

**OTHER INFORMATION**

The Company has considered the proposal for purchasing and setting up a refining unit at the factory premises for refining of edible as well as non-edible oil with capacity of 400 TPD. The said consideration of proposal by the Board has also been intimated to the stock exchanges.

**RISK MANAGEMENT POLICY**

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Regulation 21 of LODR Regulations, 2015, the Company has framed Risk Management Policy to review Business Risk.

The Company has devised and implemented a mechanism for risk management and has developed a Risk Management Policy. The Policy provides for constitution of risk committee, which will work towards creating a risk register, identifying internal and external risk and implementing mitigation steps. The Committee will, on quarterly basis, provide status updates to the Board of Directors of the Company.

**ACKNOWLEDGEMENT**

Your Directors express their sincere thanks and appreciation to the Promoters, Shareholders, and Customers for their constant support and cooperation. Your Directors also place on record their gratitude towards the Banks, Institutions and Government Departments for their confidence reposed in the Company.

**For and on behalf of the Board**

**Nimish K. Patel**

**Chairman & Managing Director**

**DIN: 00240621**

**Date : 8<sup>th</sup> May, 2017**

**Place : Ahmedabad**





ANNEXURE-A

**Form AOC-1**

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

**PART "A": Subsidiaries**

1.	<b>Subsidiary No. :</b>	<b>1</b>
2.	Name of the Subsidiary:	N K Oil Mills Private Limited
3.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period:	N.A
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries:	N.A
5.	Share Capital:	561680
6.	Reserves & Surplus:	(14,96,64,070)
7.	Total Assets:	2,54,94,480
8.	Total Liabilities:	17,45,96,869
9.	Investments:	7,64,609
10.	Turnover:	17,20,48,288
11.	Profit before Taxation:	(2,17,914)
12.	Provision for Taxation:	(1,21,882)
13.	Profit (Loss) after taxation:	(96, 032)
14.	Proposed Dividend:	Nil
15.	% of shareholding:	100%

1.	<b>Subsidiary No. :</b>	<b>2</b>
2.	Name of the Subsidiary:	Banpal Oilchem Private Limited
3.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period.	N.A
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	N.A
5.	Share Capital:	2,02,70,000
6.	Reserves & Surplus:	(10,43,83,265)
7.	Total Assets:	4,58,98,296
8.	Total Liabilities:	13,00,11,560
9.	Investments:	Nil
10.	Turnover:	26,38,258
11.	Profit before taxation:	(26,96,284)
12.	Provision for taxation:	Nil
13.	Profit after taxation:	(19,03,127)
14.	Proposed Dividend:	Nil
15.	% of shareholding:	100%

**For and on behalf of the Board**

Mr. Nimish K. Patel  
Chairman & Managing Director  
DIN: 00240621

Mr. Nilesh K. Patel  
Managing Director  
DIN: 00244115

Mr. Ashwin P. Patel  
Chief Financial Officer

Ms. Akanksha Srivastava  
Company Secretary



**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, 2017	2,50,05,000	25,00,50,000	50%	N.A	* Refer note below	N.A	N.A

*\*Note: The reason for non consolidation is due to discontinuation of control of the management and financial affairs of the JV Company "AWN Agro Private Limited". The exemption for such discontinuation from consolidation of accounts is provided under the Accounting Standards 21 & 27.*

**For and on behalf of the Board**

**Mr. Nimish K. Patel**  
Chairman & Managing Director  
DIN: 00240621

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

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

**Ms. Akanksha Srivastava**  
Company Secretary



ANNEXURE-B

**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 arrangement 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 related party and nature of relationship: N K Proteins Private Limited (Formerly Known as N K Proteins Limited)-Group Company
  - b) Nature of contracts/arrangement/transactions: Job work Agreement
  - c) Duration of contract/arrangement/transactions: Thirty-six months (From 1<sup>st</sup> April, 2016 upto 31<sup>st</sup> March, 2019)
  - 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 is effective from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2019.
  - e) Date(s) of approval by the Board, if any : 21/05/2016 and it was further ratified on 08/05/2017
  - f) Amount paid as advances, if any: N.A.

Note: Form shall be signed by the person who has signed the Board's Report.

**For or on behalf of the Board**

**Date : 8<sup>th</sup> May, 2017  
Place : Ahmedabad**

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



## ANNEXURE-C

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY OVERVIEW

The key factor contributing to the growth of the global market for castor oil include increasing demand for sustainable and biodegradable products due to the shift of the industry towards diminishing dependence on petrochemicals. India accounts for 91-93% of world exports of castor oil and thereby enjoying dominant position in the World Castor Scenario.

### 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.

### 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 DEPRICIATION

The profit of the Company before providing for finance cost and depreciation was ₹583.90 Lacs as against previous year profit of ₹ 1,003.91 Lacs.

#### Other Income

The other income was higher at ₹ 181.24 Lacs as against ₹ 67.18 in the previous year.

**Finance Cost** was lower at ₹0.04 Lacs as against ₹1.57 Lacs in the previous year

**Depreciation** (Including amortization) was lower at ₹1192.25 Lacs as against ₹1245.25 Lacs in the previous year

**Net loss during the year** (After tax) stood at ₹ (608.39) Lacs as against ₹ (242.91) Lacs in the previous year.

### MANPOWER:

The Management is continuously trying to see that the unit runs on job work basis as well as direct sales inspite of constraints of funds. Once the adequate funds are available, it will help to enhance the utilization of its capacity and thereby create further employment.



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 ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year 2016-17:

Sr. No.	Name of the Director/ KMP and Designation	Remuneration of Director/ KMP for the financial year 2016-17 (in ₹)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director to the median employee of the Company
1	Mr. Nimish K. Patel (Chairman & Managing Director)	30,00,000	-	22:1
2	Mr. Nilesh K. Patel (Managing Director)	30,00,000	-	22:1
3	Mr. Hasmukh K. Patel (Whole Time Director)	5,96,544	-	4.34:1
4	Mr. Jaimin Modi (Independent Director)	Nil	-	N.A
5	Dr. Bharat J. Patel (Independent Director)	Nil	-	N.A
6	Ms. Mridu Sharma (Independent Director)	Nil	-	N.A
	Mr. Bhawani Singh Yadav (Additional Director)	Nil	-	N.A
7	Mr. Ashwinbhai P. Patel (Chief Finance Officer)	6,00,000	-	N.A
8	Ms. Heena P. Jain* (Company Secretary)	2,40,000	-	N.A
9	Ms. Akanksha A. Srivastava* (Company Secretary)	2,64,000	-	N.A

\* Ms. Heena P. Jain resigned as Company Secretary of the Company w.e.f. 17<sup>th</sup> October, 2016 and Ms. Akanksha Srivastava was appointed for the said post w.e.f. 12<sup>th</sup> November, 2016.

- ii. The median remuneration of employees of the Company during the year under review was Rs. 1,37,334.
- iii. There was no increase in remuneration of Directors and Key Managerial Personnel during the financial year 2016-17
- iv. The percentage increase in the median remuneration of employees of the Company during the financial year: Nil
- v. The number of permanent employees on the rolls of Company: 227 as on March 31, 2017.
- vi. Comparison of the remuneration of the key managerial personnel against the performance of the Company:
- The members of the Company had in the 27<sup>th</sup> Annual General Meeting of the Company held on 26/09/2015 approved to pay remuneration to Mr. Nimish K. Patel and Mr. Nilesh K. Patel within the limits as prescribed under Schedule V of the Companies Act, 2013. Thus the remuneration paid is pursuant to the approval received and there was no change in the approved remuneration during the year under review.
- vii. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

(In Lacs)

Particulars	As at 31/03/2017 (Current Year)	As at 31/03/2016 (Previous Year)
Market Capitalisation	2256.72	2163.56
Price Earnings Ratio	(10.12)	(4.04)



- viii. **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.
- ix. **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:**
- There was no increase in the salary of employees of the Company as well as of Directors or KMP during the year under review.
- x. **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:**
- As the Company is having huge accumulated losses there was no increase in the remuneration of Key Managerial Personnel of the Company during the year under review.
- xi. **The key parameters for any variable component of remuneration availed by the Directors:** N.A.
- xii. **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:** N.A
- xiii. **Affirmation that the remuneration is as per the Remuneration Policy of the Company:** The Company affirms remuneration is as per the Nomination and Remuneration Policy of the Company.



**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2017

[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 31.03.2017, 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 31.03.2017 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;
- (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, 2015;
  - (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;
  - (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) The Securities and Exchange Board of India (Listing Obligations and disclosure Requirement) Regulation, 2015;
  - (j) 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
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges, - BSE Limited, National Stock Exchange of India Limited,

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

**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.

**Riddhi Khaneja  
Proprietor**

**Riddhi Khaneja & Associates  
M. No. 35651 C P No.: 17397**

**Place : Ahmedabad**

**Date : 08/05/2017**

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

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**'Annexure A'**

To,  
The Members  
**N K INDUSTRIES LIMITED**

Our Secretarial Audit Report of even date is to be read along with this letter.

**Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtain from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

5. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Riddhi Khaneja  
Proprietor**

**Riddhi Khaneja & Associates  
M. No. 35651 C P No.: 17397**

**Place : Ahmedabad**

**Date : 08/05/2017**





**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN**

(As on the financial year ended on 31<sup>st</sup> March, 2017)

[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>	Public Company	
<b>Sub Category of the Company</b>	Limited by Shares	
Whether shares listed on recognized Stock Exchange(s) If yes, details of stock exchanges where shares are listed	Yes	
	<b>Sr. No.</b>	<b>Stock Exchange Name</b>
	1	Bombay Stock Exchange
	2	National Stock Exchange
		<b>Code</b>
		519494
		NKIND
<b>AGM details:</b>		
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	
<b>NAME AND REGISTERED OFFICE ADDRESS OF COMPANY:</b>		
Company Name	N K INDUSTRIES LIMITED	
Address	7 <sup>th</sup> Floor, Popular House, Ashram Road,	
Town / City	Ahmedabad	
State	Gujarat	
Pin Code:	380 009	
Country Name :	India	
Country Code		
Telephone (With STD Area Code Number)	91-79-66309999	
Fax Number :	91-79-66309913	
Email Address	nkil@nkproteins.com	
Website	www.nkindustriesltd.com	
Name of the Police Station having jurisdiction where the registered office is situated	Navrangpura, Police Station	
Address for correspondence, if different from address of registered office:	N.A	
Name and Address of Registrar & Transfer Agents (RTA):- Full address and contact details to be given.		
Registrar & Transfer Agents ( RTA ):-	Link Intime India Private Limited	
Address	506-508, Amarnath Business Centre, Near St. Xavier's College Corner, Off CG Road, Navrangpura.	
Town / City	Ahmedabad	
State	Gujarat	
Pin Code:	380009	
Telephone (With STD Area Code Number)	079-30002684	
Fax Number :	079-26465179	
Email Address	ahmedabad@linkintime.co.in	

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Castor Seed Oil	15153090	36.27%
2	12 HSA	15153090	29.84%
3	Refined Cotton Seed Oil	15153090	23.32%

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

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1	AWN AGRO PRIVATE LIMITED	U15143GJ2011PTC064651	A Joint Venture Company	50%	2(6)
2	N K OIL MILLS PRIVATE LIMITED	U15201GJ1994PTC022669	Subsidiary Company	100%	2(87)(ii)
3	BANPAL OILCHEM PRIVATE LIMITED	U15201GJ1996PTC030702	Subsidiary Company	100%	2(87)(ii)

## 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 - 2016				No. of Shares held at the end of the year-2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter and Promoter Group</b>									
<b>[1] Indian</b>									
a) Individuals/ HUF	3139926	0.00	3139926	52.25	3139926	0.00	3139926	52.25	0.00
b) Central Govt.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) State Govt.(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Any Other (Specify)</b>									
d)Bodies Corp.	367302	0.00	367302	6.11	630265	0.00	630265	10.49	4.38
e) Banks / FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Any other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total shareholding of Promoter(A) (1)</b>	<b>3507228</b>	<b>0.00</b>	<b>3507228</b>	<b>58.36</b>	<b>3770191</b>	<b>0.00</b>	<b>3770191</b>	<b>62.73</b>	<b>4.38</b>
<b>[2] Foreign</b>									
a) Individuals (Non-Resident Individuals/ Foreign	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Government	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Institutions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



Category of Shareholders	No. of Shares held at the beginning of the year - 2016				No. of Shares held at the end of the year-2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Foreign Portfolio Investor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Any Other (Specify)									
Sub Total (A) (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total shareholding of Promoter and Promoter Group (A) (1) + (A) (2)</b>	<b>3507228</b>	<b>0.00</b>	<b>3507228</b>	<b>58.36</b>	<b>3770191</b>	<b>0.00</b>	<b>3770191</b>	<b>62.73</b>	<b>4.38</b>
<b>B. Public Shareholding</b>									
<b>[1]Institutions</b>									
a) Mutual Funds/UTI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Alternate Investment Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Foreign Venture Capital Investors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Foreign Portfolio Investor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Financial Institutions/ Banks	0.00	1300	1300	0.02	0.00	1300	1300	0.02	0.00
g) Insurance Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
h) Provident Funds/ Pension Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i) Any Other (Specify)									
Sub-total (B) (1)	0.00	1300	1300	0.02	0.00	1300	1300	0.02	0.00
<b>[2] Central Government/ State Government (s) / President of India</b>									
Sub-total (B) (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



Category of Shareholders	No. of Shares held at the beginning of the year - 2016				No. of Shares held at the end of the year-2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>[3] Non-Institutions</b>									
a) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh.	548729	571884	1120613	18.65	505598	566884	1072482	17.85	-0.80
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh.	934822	34636	969458	16.13	730782	34636	765418	12.74	-3.40
b) NBFCs registered with RBI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Employee Trusts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Overseas Depositories (holding DRs)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Any Other (Specify)									
Hindu Undivided Family	77732	0.00	77732	1.29	71302	0.00	71302	1.19	-0.11
Non Resident Indians (Non Repat)	600	0.00	600	0.01	650	0.00	650	0.01	0.00
Non Resident Indians (Repat)	3400	600	4000	0.07	3300	600	3900	0.07	-0.00
Clearing Member	2100	0.00	2100	0.03	15548	0.00	15548	0.26	0.22
Bodies Corporate	317869	9000	326869	5.44	300109	9000	309109	5.14	-0.30
<b>Sub-total (B) (3)</b>	<b>1885252</b>	<b>616120</b>	<b>2501372</b>	<b>41.62</b>	<b>1627289</b>	<b>611120</b>	<b>2238409</b>	<b>37.25</b>	<b>-4.38</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+ (B)(3)</b>	<b>1885252</b>	<b>617420</b>	<b>2502672</b>	<b>41.64</b>	<b>1627289</b>	<b>612420</b>	<b>2239709</b>	<b>37.27</b>	<b>-4.38</b>
<b>Total (A)+(B)</b>	<b>5392480</b>	<b>617420</b>	<b>6009900</b>	<b>100.00</b>	<b>5397480</b>	<b>612420</b>	<b>6009900</b>	<b>100.00</b>	<b>0.00</b>



Category of Shareholders	No. of Shares held at the beginning of the year - 2016				No. of Shares held at the end of the year-2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>C. Non Promoter-Non Public</b>									
[1] Custodian/ DR Holder	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total (A+B+C)</b>	<b>5392480</b>	<b>617420</b>	<b>6009900</b>	<b>100.00</b>	<b>5397480</b>	<b>612420</b>	<b>6009900</b>	<b>100.00</b>	<b>0.00</b>

**ii) Shareholding of Promoters (Including Promoter Group)**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2016			Share holding at the end of the year -2017			% change in share holding 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	Ashita Nilesh Patel	1273889	21.20	0.00	1273889	21.20	0.00	0.00
2	Sonalben Nimish Patel	1151570	19.16	0.00	1151570	19.16	0.00	0.00
3	N K Proteins Private Limited	367302	6.11	0.00	367302	6.11	0.00	0.00
4	NKPL Realty LLP	0.00	0.00	0.00	262963	4.38	0.00	4.38
5	Nimish Keshavlal Patel	134123	2.23	0.00	134123	2.23	0.00	0.00
6	Priyanshi Nilesh Patel	106900	1.78	0.00	106900	1.78	0.00	0.00
7	Nilesh Keshavlal Patel (HUF)	104557	1.74	0.00	104557	1.74	0.00	0.00
8	Nimish Keshavlal Patel (HUF)	104557	1.74	0.00	104557	1.74	0.00	0.00
9	Priyam Nilesh Patel	84516	1.41	0.00	84516	1.41	0.00	0.00
10	Venushree Nimish Patel	84160	1.40	0.00	84160	1.40	0.00	0.00
11	Vedanshee Nimish Patel	73100	1.22	0.00	73100	1.22	0.00	0.00
12	Nileshi Keshavlal Patel	20954	0.35	0.00	20954	0.35	0.00	0.00
13	Darshanbhai Baldevbhai Patel	1600	0.03	0.00	1600	0.03	0.00	0.00
	<b>TOTAL</b>	<b>3507228</b>	<b>58.36</b>	<b>0.00</b>	<b>3770191</b>	<b>62.73</b>	<b>0.00</b>	<b>4.38</b>



*iii) Change in Promoters' (Including Promoter Group) Shareholding*

Sr. No.	Name of Shareholder and type of Transaction	Shareholding at the beginning of the Year-2016		Transactions during the Year		Cumulative Shareholding at the end of the Year-2017	
		No. of shares held	% of total shares of the company	Date of transactions	No. of Shares	No. of shares	% of total shares of the company
1.	Ashita Nilesh Patel	1273889	21.20	0.00	0.00	1273889	21.20
	At the end of the Year	-	-	-	-	<b>1273889</b>	<b>21.20</b>
2.	Sonalben Nimish Patel	1151570	19.16	0.00	0.00	1151570	19.16
	At the end of the Year	-	-	-	-	<b>1151570</b>	<b>19.16</b>
3.	N. K. Proteins Private Limited	367302	6.11	0.00	0.00	367302	6.11
	At the end of the Year	-	-	-	-	<b>367302</b>	<b>6.11</b>
4.	NKPL Realty LLP	0.00	0.00	0.00	0.00	0.00	0.00
	Transaction of Purchase	-	-	15 July 2016 to 31 <sup>st</sup> March 2017	262963	262963	4.38
	At the end of the Year	-	-	-	-	<b>262963</b>	<b>4.38</b>
5.	Nimish Keshavlal Patel	134123	2.23	0.00	0.00	134123	2.23
	At the end of the Year	-	-	-	-	<b>134123</b>	<b>2.23</b>
6.	Priyanshi Nilesh Patel	106900	1.78	0.00	0.00	106900	1.78
	At the end of the Year	-	-	-	-	<b>106900</b>	<b>1.78</b>
7.	Nimishbhai Keshavlal Patel	104557	1.74	0.00	0.00	104557	1.74
	At the end of the Year	-	-	-	-	<b>104557</b>	<b>1.74</b>
8.	Nilesh Keshavlal Patel	104557	1.74	0.00	0.00	104557	1.74
	At the end of the Year	-	-	-	-	<b>104557</b>	<b>1.74</b>
9.	Priyam Nilesh Patel	84516	1.41	0.00	0.00	84516	1.41
	At the end of the Year	-	-	-	-	<b>84516</b>	<b>1.41</b>
10.	Venushree Nimishbhai Patel	84160	1.40	0.00	0.00	84160	1.40
	At the end of the Year	-	-	-	-	<b>84160</b>	<b>1.40</b>
11.	Vedanshee Nimishbhai Patel	73100	1.22	0.00	0.00	73100	1.22
	At the end of the Year	-	-	-	-	<b>73100</b>	<b>1.22</b>
12.	Nileshbhai Keshavlal Patel	20954	0.35	0.00	0.00	20954	0.35
	At the end of the Year	-	-	-	-	<b>20954</b>	<b>0.35</b>
13.	Darshanbhai Baldevbhai Patel	1600	0.03	0.00	0.00	1600	0.03
	At the end of the Year	-	-	-	-	<b>1600</b>	<b>0.03</b>



iv) *Shareholding Pattern of top 10 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</b>					
	At the beginning of the year	298396	4.96	298396	4.96	
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (Eg. Allotment/ Transfer/Bonus/Sweat Equity etc.)	-	-	-	-	
	At the end of the year	<b>298396</b>	<b>4.96</b>	<b>298396</b>	<b>4.96</b>	
2	<b>MEHTA SECURITIES LIMITED</b>					
	At the beginning of the year	149800	2.49	149800	2.49	
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (Eg. Allotment/ Transfer/Bonus/Sweat Equity etc.)	-	-	-	-	
	At the end of the year	<b>149800</b>	<b>2.49</b>	<b>149800</b>	<b>2.49</b>	
3	<b>RAJIV VASTUPAL</b>					
	At the beginning of the year	110711	1.84	110711	1.84	
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (Eg. Allotment/ Transfer/Bonus/Sweat Equity etc.)	-	-	-	-	
	At the end of the year	<b>110711</b>	<b>1.84</b>	<b>110711</b>	<b>1.84</b>	
4	<b>SHREE HARIKRUPA AGRI PRODUCTS PVT. LTD.</b>					
	At the beginning of the year	73908	1.23	73908	1.23	
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (Eg. Allotment/ Transfer/Bonus/Sweat Equity etc.)		<b>Date</b>	<b>Shares</b>	<b>Shares</b>	<b>%</b>
			27.05.2016	(950)	72958	1.21
			22.07.2016	(1000)	71958	1.20
			29.07.2016	(505)	71453	1.19
			05.08.2016	(500)	70953	1.18
			26.08.2016	(2281)	67672	1.14
	02.09.2016	(500)	68172	1.13		
At the end of the year	68172	1.13	<b>68172</b>	<b>1.13</b>		
5	<b>TUSHAR PATEL</b>					
	At the beginning of the year	53015	0.88	53015	0.88	
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (Eg. Allotment/ Transfer/Bonus/Sweat Equity etc.)	-	-	-	-	
	At the end of the year	53015	0.88	<b>53015</b>	<b>0.88</b>	



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
6	<b>FRANY TUSHAR PATEL</b>				
	At the beginning of the year	30202	0.50	30202	0.50
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (Eg. Allotment/ Transfer/Bonus/Sweat Equity etc.)	Purchased 18361 Shares on 13 Jan 2017 through Open Market	18361	48563	0.81
	At the end of the year	48563	0.81	<b>48563</b>	<b>0.81</b>
7	<b>JITENDRA RATILAL PATEL</b>				
	At the beginning of the year	36708	0.61	36708	0.61
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (Eg. Allotment/ Transfer/Bonus/Sweat Equity etc.)	-	-	-	-
	At the end of the year	36708	0.61	<b>36708</b>	<b>0.61</b>
8	<b>JAPRO ENGINEERING PRIVATE LIMITED</b>				
	At the beginning of the year	35850	0.60	35850	0.60
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (Eg. Allotment/ Transfer/Bonus/Sweat Equity etc.)	-	-	-	-
	At the end of the year	35850	0.60	35850	0.60
9	<b>KIRAN SUNIL SEVANI</b>				
	At the beginning of the year	47335	0.79	47335	0.79
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (Eg. Allotment/ Transfer/Bonus/Sweat Equity etc.)				
		<b>Date</b>	<b>Shares</b>	<b>Shares</b>	<b>%</b>
		10.02.2017	(8401)	38934	0.65
		17.02.2017	(205)	38729	0.64
		24.02.2017	2000	40729	0.68
		03.03.2017	2090	42819	0.71
	10.03.2017	(7341)	35478	0.59	
	31.03.2017	(400)	35078	0.58	
	At the end of the year	35078	0.58	<b>35078</b>	<b>0.58</b>
10	<b>MAHENDRAKUMAR DEVISING DESAI</b>				
	At the beginning of the year	32900	0.55	32900	0.55
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (Eg. Allotment/ Transfer/Bonus/Sweat Equity etc.)	-	-	-	-
	At the end of the year	32900	0.55	32900	0.55





v) *Shareholding of Directors and Key Managerial Personnel*

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>NIMISH KESHAVLAL PATEL</b> (CHAIRMAN & MANAGING DIRECTOR)				
	<b>At the beginning of the year</b>				
	Individual Holding	134123	2.23	134123	2.23
	As a member of HUF	104557	1.74	104557	1.74
	Total	238680	3.97	238680	3.97
	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):	-	-	-	-
	<b>At the end of the year</b>			-	-
	Individual Holding	134123	2.23	134123	2.23
	As a member of HUF	104557	1.74	104557	1.74
	Total	<b>238680</b>	<b>3.97</b>	<b>238680</b>	<b>3.97</b>
2	<b>NILESH KESHAVLAL PATEL</b> (MANAGING DIRECTOR)				
	<b>At the beginning of the year</b>			-	-
	Individual Holding	20954	0.35	20954	0.35
	As a member of HUF	104557	1.74	104557	1.74
	Total	125511	2.09	125511	2.09
	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):	-	-	-	-
	<b>At the end of the year</b>			-	-
	Individual Holding	20954	0.35	20954	0.35
	As a member of HUF	104557	1.74	104557	1.74
	Total	<b>125511</b>	<b>2.09</b>	<b>125511</b>	<b>2.09</b>
3	<b>BHARAT J PATEL</b> (INDEPENDENT DIRECTOR)				
	At the beginning of the year	196	0.003	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	<b>196</b>	<b>0.003</b>	<b>196</b>	<b>0.003</b>
4	<b>HASMUKH K PATEL</b> (WHOLE TIME DIRECTOR)				
	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	-	-	-	-



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
5	<b>JAIMIN MODI</b> (INDEPENDENT DIRECTOR)				
	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	-	-	-	-
6	<b>NEHA MODI</b> (INDEPENDENT DIRECTOR)*				
	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	-	-	-	-
7	<b>ASHWINBHAI P PATEL</b> (CHIEF FINANCE OFFICER)				
	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	-	-	-	-
8	<b>HEENA P. JAIN</b> (COMPANY SECRETARY)*				
	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	-	-	-	-
9	<b>MS. MRIDU SHARMA</b> (INDEPENDENT WOMEN DIRECTOR)*				
	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	-	-	-	-
10	<b>MR. BHAWANI SINGH YADAV</b> (ADDITIONAL DIRECTOR)*				
	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	-	-	-	-



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
11	<b>MS. AKANKSHA SRIVASTAVA</b> (COMPANY SECRETARY)*				
	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	-	-	-	-

**\*Note:**

1. Mrs. Neha Modi resigned as a Director w.e.f 11<sup>th</sup> August, 2016 and Ms. Mridu Sharma was appointed as an Independent Women Director in casual vacancy caused due to the resignation of Mrs. Neha Modi.
2. Mr. Bhawani Singh Yadav has been appointed as an additional director w.e.f. 12<sup>th</sup> November, 2016.
3. Ms. Heena P. Jain resigned as Company Secretary of the Company w.e.f. 17<sup>th</sup> October, 2016 and Ms. Akanksha Srivastava was appointed for the said post w.e.f. 12<sup>th</sup> November, 2016.

**V) Indebtedness of the Company including interest outstanding/ accrued but not due for payment**

Particulars	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	3000000	3000000	646236	6646236
	(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	-	-	-	-
	<b>Total (A)</b>	<b>3000000</b>	<b>3000000</b>	<b>646236</b>	<b>6646236</b>
	Ceiling as per the Act	30,00,000	30,00,000	30,00,000	

**Note:** The members of the Company in the meeting held on 26<sup>th</sup> September, 2015 approved the remuneration of managing directors at the rate of ₹5.00 Lacs p.m. However due to continuing losses of the Company remuneration at the rate of ₹2.50 Lacs p.m. was paid during the year under review. The above amount is actual payment made to the KMP after the requisite deductions.

**B. Remuneration to other directors**

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



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary & Compliance Officer		Chief Financial Officer	Total
1	Gross salary	Heena P. Jain	Akanksha Srivastava	Ashvin Patel	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	137683*	84249**	649980	
	(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	-	-	-	-
	<b>Total</b>				

\* The Company Secretary Ms. Heena P. Jain has resigned w.e.f 17<sup>th</sup> October, 2016 thus the remuneration above comprises of salary paid from 1<sup>st</sup> April, 2016 to 17<sup>th</sup> October, 2016.

\*\* The Company Secretary Ms. Akanksha Srivastava has been appointed w.e.f 12<sup>th</sup> November, 2016 thus the salary above comprises of remuneration paid from 12<sup>th</sup> November, 2016 to 31<sup>st</sup> March, 2017.

# The above amount is actual payment made to the KMP after the requisite deductions.

**VII) 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 (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Date : 8<sup>th</sup> May, 2017  
Place : Ahmedabad

Nimish K. Patel  
Chairman & Managing Director  
DIN: 00240621



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF N.K INDUSTRIES LIMITED

## Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of M/s N.K INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and 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 Standalone 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 Standalone 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 Standalone 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 there under.

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. 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 Standalone Financial Statements.

### Basis of Qualified Opinion

1. The Company had entered into financial arrangement with National Spot Exchange Ltd (NSEL) through Trading and Clearing Member, N.K.Proteins Private Ltd (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 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 Home department, Government of Maharashtra has issued a notification under the Maharashtra Protection of Interest of Depositors (in financial establishments)-Act, 1999 (MPID Act) attaching the Land, Building & Plant & Machinery of the Company located at Kadi , Gujarat. The Company had challenged the notification issued by Home department, Government of Maharashtra, before the Hon'ble High Court of Gujarat. The Hon'ble Gujarat High Court had disposed off the application of the Company vide its order dated 29<sup>th</sup> March 2017. The Company had preferred a Special Leave Petition before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India had disposed off the Special Leave Petition on 17<sup>th</sup> April,2017 with a observation to file an application before Hon'ble Bombay High Court, Mumbai and as informed by the management,the Company is in the process of filing the said application. 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 loss of the Company for the year under review. (Refer Note no 32 of Standalone 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 preferred an appeal before the Hon'ble Appellate Tribunal under the Prevention of Money laundering Act, 2002. However, matter is subjudice, we are unable to quantify the liability and its impact if any, on the loss of the Company for the year under review. (Refer Note no 33 of Standalone 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 Standalone 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, 2017, 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 Standalone Financial Statements and according to the same , the Company is having accumulated losses of ₹ 326.25 Crores as at 31.3.2017 and the net worth of the Company is negative However, as informed by the management, 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, provision for the impairment has not been made in the books of the Company and accounts for the year have been prepared on " Going concern basis."
2. Attention is invited to note 34 of the Standalone 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 142 (2A) of the IT Act, 1961, for AY 2010-11, A.Y 2011-12 ,A.Y 2012-13 & A.Y 2013-14. The department had raised a demand of ₹ 132 Crores ( Rs 6.63 Crores for A.Y 10-11, Rs57.07 crores for A.Y 11-12, ₹ 60.33 Crores for A.Y 12-13 & ₹ 7.97 Crores for A.Y 2013-14 ) on the Company for the aforesaid assessment years 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 attachment order on 22.04.2015 & 14.08.15 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.
  - Land, 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.
  - Factory Building Situated at survey No 745, Kadi Thol Road, Village Kadi Kasba , taluka- Kadi, District Mehsana-382715
3. Attention is invited to note 26 of the Standalone Financial Statements and according to which 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), Ahmedabad has subsequently given partial relief to the extent of ₹ 28.84 Crores. The Company had preferred as appeal before the Hon'ble High Court of Gujarat against the order of Hon'ble ITAT, Ahmedabad. Hon'ble Gujarat High Court vide its order dated 20<sup>th</sup> June, 2016 had given partial relief on some of the grounds and had also dismissed some of the grounds of the Company. Against the grounds dismissed by Hon'ble High Court of Gujarat, the Company had further preferred an appeal before Hon'ble Supreme Court of India, and the Hon'ble Supreme Court of India vide order dated 16<sup>th</sup> January,2017 had dismissed the appeal of the Company. The Company had provided an amount of ₹2.88 Crore against the grounds dismissed by Hon'ble ITAT during F.Y 2002-03 as well as ₹1.27 Crores was provided in the books of accounts for the Assessment year in question for the interest payable upto 31-03-2005 during F.Y 2004-05 However in view of the management and on the basis of the Judgment of the Hon'ble Gujarat High Court, the amount provided/paid by the Company towards total demand shall result in refund to the Company. Pending effect of Order by the Income Tax Department, no effect has been given by the Company in the books of accounts for the year under review. In view of non availability of appeal effect order from the Income Tax Department, we are unable to opine on the same.
4. Attention is invited to note 36 of the Standalone 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 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 also invited to note 25 of the Standalone Financial Statements which states the Company was declared sick by Hon'ble Board for Industrial & Financial Reconstruction (BIFR) and had submitted rehabilitation scheme for consideration to the Operating Agency (OA). However, since SICA Act has been repealed with effect from 01.12.2016, as per the provisions of the SICA Repeal Act the Company had to submit its application to National Company Law Tribunal (NCLT) within 6 months from the date of SICA repeal Act. Till date, the Company is yet to submit its Scheme to Hon'ble NCLT. In view of non-submission of scheme to Hon'ble NCLT by the Company, the impact of the debt resolution could not be ascertained.
6. Attention is invited to Note 41 of the Standalone Financial Statements which states that the balance confirmation from the suppliers, customers as well as to various loans or advances given have been called for, but the same are awaited till the date of this report. In view of the non-availability of the same, the balances of receivables, trade payables as well as loans and advances have been taken as per the books of accounts submitted by the Company and are subject to confirmation from the respective parties.

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, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure-"A" 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 Standalone 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
  - (h) 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 Standalone Financial Statements as referred to in Note no.24 to the Standalone 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.
    - iv. the Company has provided requisite disclosures in its Standalone Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 43 to the Standalone Financial Statements

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

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

**Place : Ahmedabad  
Date : 08/05/2017**





**ANNEXURE A - ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets with effect from 1<sup>st</sup> April 2008 onwards.
- (b) According to the information and explanations given to us, the fixed assets are verified by the management during the year in a phased periodical manner which, in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising of the immovable properties of land and building which are freehold, are held in the name of the Company as at the Balance Sheet date except the following properties whose titles have not been still conveyed in the name of the Company having total carrying value of ₹ 18.86 lacs as at 31 March 2017.

(₹ In lacs)

Sr. No.	Description of the property	Status of ownership	Carrying value
1.	Premises located at Thirthjal Complex, Ahmedabad	Title of the property is in the name of the director and yet not conveyed in the name of the Company. As the cooperative society in which the property is held does not allow the Company to hold the assets in its name.	5.38
2.	Land situated at Sr. No. 719, Vil, Kadi Taluka Kadi, Dist. Mehsana in the State of Gujarat	In the subject land, Registered power of attorney of the land in question is in the name of Shri Ashwin Patel, CFO, on behalf of the Company and necessary stamp duty has been fully paid, yet titles are to be conveyed in the name of the Company.	5.49
3.	Land situated at Sr. No. 720, Vil, Kadi. Taluka Kadi, Dist. Mehsana in the State of Gujarat	Unregistered Agreement to sale in the name of the Company. Competent authority has ordered for payment of premium which is yet to be paid. Titles are not conveyed in the name of the Company.	1.85
4.	Land situated at Sr. No. 721, Vil, Kadi. Taluka Kadi, Dist. Mehsana in the State of Gujarat	In the subject land, Registered power of attorney of the land in question is in the name of Shri Ashwin Patel, CFO, on behalf of the Company and necessary stamp duty has been fully paid, yet titles are to be conveyed in the name of the Company.	3.19
5.	Land situated at Sr. No. 741, Vil, Kadi. Taluka Kadi, Dist. Mehsana in the State of Gujarat	In the subject land, no agreement entered with the Company. However, unregistered power of attorney is in the name of Mr Kamlesh Patel on behalf of the Company. The titles have not been conveyed in the name of the Company.	2.93
6.	Land situated at Sr. No. 742, Vil, Kadi. Taluka Kadi, Dist. Mehsana in the State of Gujarat	In the subject land, no agreement entered with the Company. However, unregistered power of attorney is in the name of Mr Kamlesh Patel on behalf of the Company. The titles have not been conveyed in the name of the Company.	

- ii) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. The discrepancies noticed on verification between physical stocks and the books of accounts are not material.
- iii) During the year, the Company has not granted any loans secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. ( the Act).
  - a) The loans granted during the earlier financial years to the parties covered in the register maintained u/s 189 of the Companies Act, 2013 (the Act) are interest free. 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.
  - b) In respect of the said loans, there are no overdue amounts



- iv) On the basis of information and explanations give to us and also in view of the legal opinion obtained from an expert, the Company has broadly complied with the provisions of Section 185 and 186 with respect to the investment made & Loans Given.(Please refer the note no.27b of the notes forming parts of the financial statements).
- v) The Company has not accepted any deposits from the public.
- 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 under 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 and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, ESIC, income-tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, ESIC, income tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no material due of duty of excise, service tax and duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanations given to us, the following dues of income tax, sales tax & value added tax have not been deposited by the Company on account of disputes.

Name of the statue	Nature of Dues	Amount (₹) (Net of payment)	Financial year to which the amount relates	From where the dispute is pending
Income Tax Act, 1961	Corporate Tax	663.83 Lacs	FY 2009-10	Commissioner of Income Tax(Appeals) -IX
Income Tax Act, 1961	Corporate Tax	5543 Lacs	FY 2010-11	Income Tax Appellate Tribunal Ahmedabad
Income Tax Act, 1961	Corporate Tax	6033 lacs	FY 2011-12	Commissioner of Income Tax(Appeals) -IX
Income Tax Act, 1961	Corporate Tax	797.60 lacs	FY 2012-13	Commissioner of Income Tax(Appeals) -IX
Income Tax Act, 1961	Corporate Tax	41.66 lacs	FY 2005-06	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,
Guj. Sales Tax	Sales Tax	5423.55 Lacs (Net of payments)	F.Y. 1989-90, 1990-91, 1997-98 to 2001-02 & 2006-07	Sales Tax Tribunal / Commercial Tax Officer

- viii) According to information & explanations given to us, the Company does not have any borrowings from Banks ,Financial institutions, Government or debenture holders during the year, Accordingly, paragraph 3 (viii) of the Order is not applicable.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.



- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

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

**Place : Ahmedabad  
Date : 08/05/2017**



## **Annexure B to the Auditor's Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **M/s N.K INDUSTRIES LIMITED** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information & according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

**Place : Ahmedabad  
Date : 08/05/2017**



## Balance Sheet as at March 31, 2017

Amt in ₹

Particulars	Note No.	31-Mar-2017	31-Mar-2016
<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	(326 25 30 388)	(320 16 90 987)
<b>Sub-Total Shareholders' funds</b>		<b>(320 24 31 388)</b>	<b>(314 15 91 987)</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other long-term liabilities	3	6 26 15 46 200	6 26 35 11 712
(d) Long-term provisions	4	2 59 37 383	2 49 87 664
<b>Total Non-current liabilities</b>		<b>6 28 74 83 583</b>	<b>6 28 84 99 376</b>
<b>3 Current liabilities</b>			
(a) Trade payables			
Total outstanding dues to Micro Enterprise and Small Enterprise	5	6 48 860	5 14 109
Total outstanding dues to Creditors Other Than Micro Enterprise and Small Enterprise		1 49 03 569	2 95 61 735
(b) Other current liabilities	6	1 50 45 396	64 27 895
(c) Short-term provisions	7	30 29 518	24 32 969
<b>Total Current liabilities</b>		<b>3 36 27 342</b>	<b>3 89 36 708</b>
<b>Total Equity and Liabilities</b>		<b>3 11 86 79 537</b>	<b>3 18 58 44 096</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets		1 41 19 51 994	1 51 30 44 362
(ii) Intangible assets		38 784	49 650
(iii) Capital work In progress		2 25 32 128	28 57 989
	8	1 43 45 22 907	1 51 59 52 001
(b) Non-current investments	9	1 87 38 854	1 87 33 854
(c) Long-term loans and advances	10	1 17 30 89 752	1 19 06 81 417
(d) Other non-current assets	11	4 19 05 168	4 18 80 828
<b>Sub-Total Non-current assets</b>		<b>2 66 82 56 681</b>	<b>2 76 72 48 100</b>
<b>2 Current assets</b>			
(a) Inventories	12	7 61 01 370	6 34 21 385
(b) Trade receivables	13	34 66 75 182	34 03 16 146
(c) Cash and Bank Balances	14	86 71 604	1 00 18 724
(d) Short-term loans and advances	15	1 89 74 699	48 39 740
(e) Other Current assets		-	-
<b>Sub-Total Current assets</b>		<b>45 04 22 855</b>	<b>41 85 95 996</b>
<b>Total Assets</b>		<b>3 11 86 79 537</b>	<b>3 18 58 44 096</b>

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached.

For, PARIKH & MAJMUDAR  
Chartered Accountants  
Firm's Registration Number:107525W

CA DR HITEN PARIKH  
Partner  
Membership No.040230  
Ahmedabad  
08th May,2017

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

Nimish K. Patel  
Chairman & Managing Director  
Din-00240621

Ashwin P. Patel  
Chief Financial Officer

Ahmedabad  
08th May,2017

Nilesh K. Patel  
Managing Director  
Din -00244115

Akanksha Srivastava  
Company Secretary



## Statement of Profit & Loss for the year ended on March 31, 2017

Amt in ₹

Particulars	Note No.	For the Year ended on 31-Mar-2017	For the Year ended on 31-Mar-2016
<b>Revenue</b>			
Revenue from operations	16	90 58 86 129	84 03 42 215
Other income	17	1 81 23 868	67 18 361
<b>Total Revenue</b>		<b>92 40 09 997</b>	<b>84 70 60 576</b>
<b>Expenses</b>			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade	18	51 24 95 230	47 70 19 752
Changes in inventories of finished goods WIP and Stock-in-Trade	19	83 89 352	(2 89 92 825)
Employee benefits expenses	20	6 86 32 178	5 82 94 931
Finance costs	21	4 504	1 56 783
Depreciation and amortization expense		11 92 24 860	12 45 24 742
		<b>11 92 24 860</b>	<b>12 45 24 742</b>
Other expenses	22	27 61 03 274	24 03 47 870
<b>Total expenses</b>		<b>98 48 49 398</b>	<b>87 13 51 254</b>
<b>Profit before tax for the year</b>		<b>(6 08 39 401)</b>	<b>(2 42 90 678)</b>
<b>Exceptional Item +/-(-)</b>		-	-
<b>Profit after Exceptional Item &amp; before Tax for the year</b>		-	-
<b>Tax expense:</b>			
Current tax		-	-
Deferred tax		-	-
		-	-
<b>Profit (Loss) for the period</b>		<b>(6 08 39 401)</b>	<b>(2 42 90 678)</b>
<b>Earnings per equity share:</b>			
Basic and Diluted		(10.12)	(4.04)
Significant Accounting Policies	A		

The accompanying notes form an integral part of the standalone statements of profit and loss

As per our report of even date attached.

For, PARIKH & MAJMUDAR  
Chartered Accountants  
Firm's Registration Number:107525W

CA DR HITEN PARIKH  
Partner  
Membership No.040230  
Ahmedabad  
08th May,2017

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

Nimish K. Patel  
Chairman & Managing Director  
Din-00240621

Ashwin P. Patel  
Chief Financial Officer

Ahmedabad  
08th May,2017

Nilesh K. Patel  
Managing Director  
Din -00244115

Akanksha Srivastava  
Company Secretary



## Cash Flow Statement for the year ended on 31st March, 2017

(Amt in ₹)

Particulars	31-Mar-2017	31-Mar-2017	31-Mar-2016	31-Mar-2016
<b>Cash Flow Operating Activities:</b>				
Net Profit After Tax and Extra Ordinary Items		(6,08,39,401)		(2,42,90,678)
Adjustment for :				
Depreciation & write off		11,92,24,860		12,45,24,742
(Profit)/loss on sale of assets		-		1,40,867
Interest received		(33,45,761)		(28,13,498)
Interest paid		4,504		1,56,783
Adjustment for :				
Trade receivables(including loans and advances)	(2,04,93,995)		15,27,33,319	
Inventories	(1,26,79,985)		(3,83,07,775)	
Trade Payable (including other current liabilities)	(63,25,158)	(3,94,99,138)	(37,91,85,829)	(26,47,60,285)
Cash Generated from operating Activities		1,55,45,064		(16,70,42,069)
Less: Income Tax Paid		-		-
Cash flow before extra ordinary item		1,55,45,064		(16,70,42,069)
Extra ordinary items		-		-
<b>Net Cash Flow from operating Activities</b>		<b>1,55,45,064</b>		<b>(16,70,42,069)</b>
<b>Cash Flow From Investing Activities:</b>				
Purchase of Fixed Assets	(3,77,95,766)		(1,12,81,661)	
Changes in non current assets	1,75,67,325		18,90,95,449	
Interest received	33,45,761		28,13,498	
Proceeds from Sale of Fixed Assets	-		-	
Purchase /Sale of investment	(5,000)	(1,68,87,680)	(1,74,32,294)	16,31,94,992
<b>Net Cash Flow from Investing Activities</b>		<b>(1,68,87,680)</b>		<b>16,31,94,992</b>
<b>Cash Flow From Financing Activities:</b>				
Proceeds from Borrowing	-		-	
Interest Paid	(4,504)		(1,56,783)	
Net Cash used in Financial Activities		(4,504)		(1,56,783)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(13,47,120)</b>		<b>(40,03,860)</b>
Cash & Cash equivalent as at 01st April		1,00,18,724		1,40,22,584
<b>Cash &amp; Cash equivalent as at 31st March</b>		<b>86,71,604</b>		<b>1,00,18,724</b>
Note: Cash and Cash Equivalents Includes:				
a) Cash on hand		1,17,745		24,75,677
b) Balance with Banks in Current account		43,55,075		35,21,072
c) Balance with Banks in fixed deposit less than 12 months		41,98,784		40,21,974
		86,71,604		1,00,18,724

As per our report of even date attached.

For, **PARIKH & MAJMUDAR**  
Chartered Accountants  
Firm's Registration Number:107525W

**CA DR HITEN PARIKH**  
Partner  
Membership No.040230  
Ahmedabad  
08th May,2017

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

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

**Ashwin P. Patel**  
Chief Financial Officer

Ahmedabad  
08th May,2017

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

**Akanksha Srivastava**  
Company Secretary



## **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 guidelines issued by the Securities & Exchange Board of India (SEBI). Accounting policies have been consistently applied.

### **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) CURRENT AND NON CURRENT CLASSIFICATION**

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of activities and time between the activities performed and their subsequent realisation in cash or cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities

### **v) FIXED ASSETS**

- a) Tangible assets [except Plant and machinery and Building which were revalued in FY 2011-12 are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price, import duty and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they related to the period till such assets are ready to be put to use.
- b) Intangible assets are stated at cost of acquisition/ cost incurred less amortization.
- c) Tangible assets not ready for the intended use as on the date of Balance Sheet are disclosed as "Capital Work-in-Progress and are stated at cost.

### **vi) 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.

### **vii) VALUATION OF INVENTORIES**

- a) Raw materials, Finished Goods and Trading Goods are valued at lower of cost or net realizable value. The basis of determining cost for Raw materials, Finished Goods and Trading Goods is Weighted Average Cost Basis. Cost of inventories have been computed to include all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

### **viii) METHOD OF DEPRECIATION**

- a) "Depreciation on tangible fixed assets (Other Than Plant and Machinery and Vehicles) 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.

**ix) 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.

**x) 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.

**xi) TAXATION**

- a) Income-tax expense comprise of current tax, and deferred tax charge or credit.
- b) Provision for current tax is made on the basis of the assessable income at the tax rate applicable for the relevant assessment year.
- c) 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 reassure realization.

**xii) 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 perform 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. The Liability is measured based on an actuarial valuation carried out by an independent actuary at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

xiii) **PROVISIONS AND CONTINGENT LIABILITY**

- a) Provision are recognised for when the Company has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic outgo or loss will be required and if the amount involved can be measured reliably.
- b) Contingent liabilities being a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more future events not wholly in control of the company are not recognised in the accounts. The nature of such liabilities and an estimate of its financial effect are disclosed in notes to the Financial Statements.

xiv) **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.

xv) **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.



## Notes to Standalone Financial Statements

### 1. Share Capital

#### a Details of Share Capital

Particulars	31-Mar-2017		31-Mar-2016	
	Number	₹	Number	₹
<b>Authorized</b>				
<b>Preference Share Capital</b>				
500000 (P.Y.500000)Preference shares of ₹100 each	5 00 000	5 00 00 000	5 00 000	5 00 00 000
<b>Equity Share Capital</b>				
25000000 (P.Y 25000000) Equity Share of ₹ 10 Each	2 50 00 000	25 00 00 000	2 50 00 000	25 00 00 000
		<b>30 00 00 000</b>		<b>30 00 00 000</b>
<b>Issued, Subscribed &amp; Paid up</b>				
6009900 (P.Y 6009900 )Equity Share of ₹ 10 each	60 09 900	6 00 99 000	60 09 900	6 00 99 000
<b>Total</b>	<b>60 09 900</b>	<b>6 00 99 000</b>	<b>60 09 900</b>	<b>6 00 99 000</b>

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

##### Equity Shares

Particulars	31-Mar-2017		31-Mar-2016	
	Number	₹	Number	₹
At the beginning of the period	60 09 900	6 00 99 000	60 09 900	6 00 99 000
Issued during the period				
<b>Outstanding at the end of the period</b>	<b>60 09 900</b>	<b>6 00 99 000</b>	<b>60 09 900</b>	<b>6 00 99 000</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.

Name of Shareholder/Company	31-Mar-2017		31-Mar-2016	
	No. of Shares held	%	No. of Shares held	%
<b>Names of person holding more than 5% shares</b>				
Ashita Nilesh Patel	12 73 889	21.20	12 73 889	21.20
Sonal Nimish Patel	11 51 570	19.16	11 51 570	19.16
N K Proteins Pvt. Ltd. (Formerly Known as NK Proteins Limited)	3 67 302	6.11	3 67 302	6.11



## 2. Reserves & Surplus

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
<b>General Reserves</b>		
Opening Balance	10,38,073	10,38,073
Closing Balance	10,38,073	10,38,073
<b>Security Premium Reserve</b>		
Opening Balance	9,02,97,000	9,02,97,000
Closing Balance	9,02,97,000	9,02,97,000
<b>Capital Reserve</b>		
Opening Balance	17,40,25,339	17,40,25,339
Closing Balance	17,40,25,339	17,40,25,339
<b>Revaluation Reserve (Note Below)</b>		
Opening Balance	1,58,85,65,815	1,58,85,65,815
	-	-
Closing Balance	1,58,85,65,815	1,58,85,65,815
<b>Surplus/(Deficit)</b>		
Opening Balance	(5,05,56,17,214)	(5,03,13,26,536)
	-	-
	-	-
(+) Net Profit/(Net Loss) For the current year	(6,08,39,401)	(2,42,90,678)
Closing Balance	(5,11,64,56,615)	(5,05,56,17,214)
<b>Total</b>	<b>(3,26,25,30,388)</b>	<b>(3,20,16,90,987)</b>

Note : Company has created Revaluation Reserve by revaluating 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 31)

## 3. Other long-term liabilities

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
Trade Payables	6,26,15,46,200	6,26,35,11,712
<b>Total</b>	<b>6,26,15,46,200</b>	<b>6,26,35,11,712</b>

## 4. Long Term Provisions

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
<b>Provision for Employee Benefits</b>		
Provision For Leave Benefit Account	19,90,786	15,71,668
Provision For Gratuity Account	68,95,013	63,64,411
<b>Total</b>	<b>88,85,798</b>	<b>79,36,079</b>
<b>Others</b>		
Interest Payable On Block Assessment	1,47,58,294	1,47,58,294
Provision- Income Tax - Block Assessment	22,93,291	22,93,291
<b>Total</b>	<b>1,70,51,585</b>	<b>1,70,51,585</b>
<b>Total</b>	<b>2,59,37,383</b>	<b>2,49,87,664</b>



5. Trade Payables

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
Total outstanding dues to Micro Enterprise and Small Enterprise	6,48,860	5,14,109
Total outstanding dues to Creditors Other than Micro Enterprise and Small Enterprise (Refer Note No 44)	1,49,03,569	2,95,61,735
<b>Total</b>	<b>1,55,52,429</b>	<b>3,00,75,844</b>

6. Other Current liabilities

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
<b>Other payables</b>		
Expense payable	1,36,98,558	55,42,937
Statutory Liabilities	10,27,581	8,34,377
Advance Received from Customers	3,19,256	50,581
	1,50,45,396	64,27,895
<b>Total</b>	<b>1,50,45,396</b>	<b>64,27,895</b>

7. Short-term provisions

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
<b>Provision for employee benefits</b>		
Bonus	17,09,690	14,83,250
Gratuity	10,80,028	5,30,602
Leave Encashment	2,39,799	4,19,118
	30,29,518	24,32,969

**8. Fixed Assets**

Sr.	Particulars	Gross Block			Accumulated Depreciation				Net Block		
		As at 01-04-2016	Additions during the year	31-Mar-2017	As at 01-04-2016	Amt Transfer to Reserves	Depre. charge for the year	Adj. during the year	31-Mar-2017	31-Mar-2017	31-Mar-2016
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>a</b>	<b>Tangible Assets</b>										
	Freehold Land	95,27,08,833	-	95,27,08,833	-	-	-	-	95,27,08,833	95,27,08,833	
	Buildings	44,84,54,565	68,68,222	45,53,22,787	12,08,82,182	2,60,50,544	-	14,69,32,726	30,83,90,061	32,75,72,383	
	Plant and Equipment	1,33,34,77,775	98,24,579	1,34,33,02,354	1,11,49,96,105	8,97,54,928	-	1,20,47,51,033	13,85,51,321	21,84,81,670	
	Furniture and Fixtures	1,68,88,216	83,392	1,69,71,608	78,19,118	12,54,008	-	90,73,126	78,98,482	90,69,098	
	Vehicles	87,82,347	8,56,676	96,39,023	66,34,804	7,82,000	-	74,16,804	22,22,219	21,47,543	
	Office equipment	1,18,91,009	3,18,357	1,22,09,367	88,96,984	13,20,639	-	1,02,17,623	19,91,744	29,94,026	
	Computers	42,15,585	1,70,400	43,85,985	41,44,776	51,875	-	41,96,650	1,89,335	70,810	
	<b>Total</b>	<b>2,77,64,18,330</b>	<b>1,81,21,626</b>	<b>2,79,45,39,957</b>	<b>1,26,33,73,968</b>	<b>11,92,13,994</b>	<b>-</b>	<b>1,38,25,87,962</b>	<b>1,41,19,51,994</b>	<b>1,51,30,44,362</b>	
<b>b</b>	<b>Intangible Assets</b>										
	Computer software	6,31,556	-	6,31,556	5,81,906	10,866	-	5,92,772	38,784	49,650	
	<b>Total</b>	<b>6,31,556</b>	<b>-</b>	<b>6,31,556</b>	<b>5,81,906</b>	<b>10,866</b>	<b>-</b>	<b>5,92,772</b>	<b>38,784</b>	<b>49,650</b>	
	<b>Total</b>	<b>2,77,70,49,886</b>	<b>1,81,21,626</b>	<b>2,79,51,71,513</b>	<b>1,26,39,55,874</b>	<b>11,92,24,860</b>	<b>-</b>	<b>1,38,31,80,734</b>	<b>1,41,19,90,779</b>	<b>1,51,30,94,012</b>	
<b>c</b>	Capital work-in-progress	28,57,989	2,02,30,038	2,25,32,128	-	-	-	-	2,25,32,128	28,57,989	
	<b>Total</b>	<b>2,77,99,07,875</b>	<b>3,83,51,665</b>	<b>2,81,77,03,641</b>	<b>1,26,39,55,874</b>	<b>11,92,24,860</b>	<b>-</b>	<b>1,38,31,80,734</b>	<b>1,43,45,22,907</b>	<b>1,51,59,52,001</b>	
	<b>Previous Year figures</b>	<b>2,76,96,83,813</b>	<b>2,21,87,537</b>	<b>2,77,99,07,875</b>	<b>1,14,02,22,864</b>	<b>12,45,24,742</b>	<b>7,91,733</b>	<b>1,26,39,55,874</b>	<b>1,51,59,52,001</b>	<b>1,62,94,60,949</b>	



**9. Non Current Investments**

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

Summarized information of investments

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
<b>Investment in Equity instruments-unquoted</b>		
Investment in Equity instruments	57,58,060	57,53,060
Investment in Equity of Joint Venture Company	25,00,50,000	25,00,50,000
Investment in Equity of Subsidiary Company	1,75,57,294	1,75,57,294
<b>Investments in Government or Trust securities</b>	23,500	23,500
<b>Total</b>	<b>27,33,88,854</b>	<b>27,33,83,854</b>
Less:		
Provision for diminution in the value of Investments	25,46,50,000	25,46,50,000
<b>Total</b>	<b>1,87,38,854</b>	<b>1,87,33,854</b>

**A. Details of Other Investments - Unquoted**

Sr. Name of the Body Corporate	No. of Shares		Amount (₹)	
	2016-17	2015-16	2016-17	2015-16
<b>a Investment in Equity Instruments</b>				
ACCURATE EXPORTS LTD. of ₹ 10 each	1,00,000	1,00,000	10,00,000	10,00,000
FICON LEASE & FINANCE LTD. of ₹ 10 each	3,50,000	3,50,000	35,00,000	35,00,000
HYTAISUN MAGNETICS LTD. of ₹ 10 each	10,000	10,000	1,00,000	1,00,000
	4,60,000	4,60,000	46,00,000	46,00,000
Less:				
Provision for diminution in the value of Investments	4,60,000	4,60,000	46,00,000	46,00,000
	-	-	-	-
AHMEDABAD COMMODITY EXCHANGE LTD of ₹ 10 each	56,500	56,500	11,53,000	11,53,000
THE BOMBAY COMMODITY EXCHANGE LTD of ₹ 10 each Share Application Money	500	-	5,000	-
KALUPUR COMM.CO.OP.BANK of ₹ 10 each	6	6	60	60
Investments in Subsidiary Company				
Banpal Oil Chem Pvt. Ltd . of ₹ 100 each	2,02,700	2,02,700	1,75,01,126	1,75,01,126
N.K.Oil Mills Pvt. Ltd. of ₹ 10 each	56,168	56,168	56,168	56,168
<b>Joint Venture Investments</b>				
AWN AGRO PVT. LTD. of ₹ 10 each	2,50,05,000	2,50,05,000	25,00,50,000	25,00,50,000
	2,52,64,374	2,52,63,874	26,87,65,354	26,87,60,354
Less:				
Provision for diminution in the value of Investments	2,50,05,000	2,50,05,000	25,00,50,000	25,00,50,000
Sub-Total	2,59,374	2,58,874	1,87,15,354	1,87,10,354
<b>b Investments in Government or Trust securities</b>				
NATIONAL SAVINGS CERTIFICATE			23,500	23,500
<b>Total</b>			<b>23,500</b>	<b>23,500</b>
<b>Grand Total</b>			<b>1,87,38,854</b>	<b>1,87,33,854</b>



## 10. Long Term Loans and Advances

### a Details of Long Term Loans and Advances

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
<b>Security Deposits</b>		
Unsecured, considered goods	3,63,22,592	3,78,86,630
Capex Advance	19,50,750	-
Advance tax & Tds Receivable	1,18,09,277	1,17,51,550
<b>Loans and advances to related parties</b>		
Capital advances to wholly owned subsidiary	11,99,97,616	12,75,56,815
Long term Loans and advances to wholly owned subsidiary	11,11,91,869	11,11,91,869
Long term Loans and advances to related parties -doubtful Unsecured, considered doubtful	17,48,64,908	17,48,64,908
<b>Total</b>	<b>28,60,56,777</b>	<b>28,60,56,777</b>
Less: Provision for doubtful advances	17,48,64,908	17,48,64,908
	11,11,91,869	11,11,91,869
<b>Loans and advances to others</b>		
Long term Loans and advances to others Unsecured, considered good	89,18,17,648	90,22,94,553
Long term Loans and advances to others -Doubtful	13,23,67,655	12,52,56,917
<b>Total</b>	<b>1,02,41,85,303</b>	<b>1,02,75,51,470</b>
Less: Provision for doubtful advances	13,23,67,655	12,52,56,917
Other loans and advances to others	89,18,17,648	90,22,94,553
<b>Total</b>	<b>1,17,30,89,752</b>	<b>1,19,06,81,417</b>

## 11. Other non-current assets

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
Trade receivables		
Unsecured, considered good	4,19,05,168	4,18,80,828
Unsecured, considered doubtful	35,22,98,715	35,22,98,715
	<b>35,22,98,715</b>	<b>35,22,98,715</b>
Less: Provision for doubtful debts	35,22,98,715	35,22,98,715
	-	-
<b>Total</b>	<b>4,19,05,168</b>	<b>4,18,80,828</b>

## 12. Inventories (As taken, valued and certified by Management)

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
Traded Material	2,97,13,932	4,12,53,284
Stores and Spares	4,63,87,439	2,21,68,101
<b>Total</b>	<b>7,61,01,370</b>	<b>6,34,21,385</b>





**13. Trade Receivable**

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
<b>Outstanding for a period less than six months from the date they are due</b>		
Unsecured, considered good	29,54,55,624	26,25,03,580
	29,54,55,624	26,25,03,580
<b>Outstanding for a period exceeding six months from the date they are due</b>		
Unsecured, considered good	5,12,19,558	7,78,12,566
	5,12,19,558	7,78,12,566
<b>Total</b>	<b>34,66,75,182</b>	<b>34,03,16,146</b>

**14. Cash and Bank Balance**

**Cash and Cash Equivalent**

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
Balances with Banks	43,55,075	35,21,072
Cash on hand	1,17,745	24,75,677
<b>Total</b>	<b>44,72,820</b>	<b>59,96,750</b>

**Other Cash Balance**

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
Bank deposits upto 12 months maturity	41,98,784	40,21,974
<b>Total</b>	<b>41,98,784</b>	<b>40,21,974</b>

**15. Short-term loans and advances**

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
Prepaid expenses	10,27,238	6,04,176
Balance with Government Authorities	40,69,248	20,55,079
Accrued Interest	18,06,125	-
Short Term Loans and Advances to others	-	-
Unsecured, considered good	1,20,72,087	21,80,485
	1,20,72,087	21,80,485
<b>Total</b>	<b>1,89,74,699</b>	<b>48,39,740</b>



**16. Revenue**

Particulars	For the Year ended on 31-Mar-2017 ₹	For the Year ended on 31-Mar-2016 ₹
<b>Sale of products</b>		
Traded Goods Domestic	54,63,00,644	45,50,81,238
Traded Goods Export	-	3,47,24,640
	54,63,00,644	48,98,05,878
<b>Operating Revenues</b>		
Crushing Charges (TDS ₹ 71.92 (P.Y. ₹ 70.11)Lacs)	35,95,85,485	35,05,36,337
Total	35,95,85,485	35,05,36,337
<b>Total</b>	<b>90,58,86,129</b>	<b>84,03,42,215</b>

Particulars	For the Year ended on 31-Mar-2017 ₹	For the Year ended on 31-Mar-2016 ₹
<b>Traded Goods Export</b>		
Non-Edible Oil	-	3,47,24,640
<b>Total</b>	<b>-</b>	<b>3,47,24,640</b>
<b>Traded Goods Domestic</b>		
Edible Oil	21,15,82,404	6,71,36,480
Non-Edible Oil	33,27,17,957	35,36,09,959
Others	20,00,283	3,43,34,799
<b>Total</b>	<b>54,63,00,644</b>	<b>45,50,81,238</b>
<b>Total(A+B)</b>	<b>54,63,00,644</b>	<b>48,98,05,878</b>

**17. Other Income**

Particulars	For the Year ended on 31-Mar-2017 ₹	For the Year ended on 31-Mar-2016 ₹
Interest Income (TDS ₹2.78 (P.Y. ₹2.29)Lacs)	33,45,761	28,13,498
Other non operating Income		
Misc. Income	8,69,638	12,21,487
Scrap Sales	15,82,530	-
Prior Period Income	-	11,74,400
Foreign Exchange fluctuation	-	6,32,811
Credit Bal. Written Back	1,11,86,039	3,51,165
Office Rent	11,39,900	5,25,000
<b>Total</b>	<b>1,81,23,868</b>	<b>67,18,361</b>



**18. Purchase of Trading Goods**

Particulars	For the Year ended on 31-Mar-2017 ₹	For the Year ended on 31-Mar-2016 ₹
Purchase of Goods	50,82,92,460	47,45,45,280
Other direct purchase costs	42,02,770	24,74,472
Cost of Goods sold	51,24,95,230	47,70,19,752
<b>Traded Goods</b>		
Edible Oil	20,73,31,845	6,57,32,734
Non-Edible Oil	29,63,02,623	40,87,96,459
Others	88,60,763	24,90,559
<b>Total</b>	<b>51,24,95,230</b>	<b>47,70,19,752</b>
<b>Total(A+B)</b>	<b>51,24,95,230</b>	<b>47,70,19,752</b>

Details imported & indigenous Trading Goods Purchased

Amount in ₹

Particulars	For the Year ended on 31-Mar-2017		For the Year ended on 31-Mar-2016	
	₹	%	₹	%
Imported Material Consumed	-	0.00%	-	0.00%
Indigenous Material Consumed	512495230	100.00%	477019752	100.00%
<b>Total Material Consumed</b>	<b>512495230</b>	<b>100.00%</b>	<b>477019752</b>	<b>100.00%</b>

**19. Change in Inventory**

Particulars	For the Year ended on 31-Mar-2017 ₹	For the Year ended on 31-Mar-2016 ₹
<b>Castor Seed - Traded</b>		
Stock at the Beginning of the financial year	-	-
Stock at the End of the financial year	-	-
	-	-
<b>Ricinolic Acid</b>		
Stock at the Beginning of the financial year	19,41,216	23,92,277
Stock at the End of the financial year	96,491	19,41,216
	18,44,725	4,51,061
<b>12HSA</b>		
Stock at the Beginning of the financial year	3,53,09,416	56,72,100
Stock at the End of the financial year	2,87,62,662	3,53,09,416
	65,46,754	(2,96,37,316)
<b>Glycerine</b>		
Stock at the Beginning of the financial year	8,51,500	10,32,150
Stock at the End of the financial year	8,52,150	8,51,500
	(650)	1,80,650
<b>Fly Ash</b>		
Stock at the Beginning of the financial year	1,152	13,932
Stock at the End of the financial year	2,628	1,152
	(1,476)	12,780
<b>Total</b>	<b>83,89,352</b>	<b>(2,89,92,825)</b>



**20. Employee benefits expense**

<b>Employee Benefits Expense</b>	<b>For the Year ended on 31-Mar-2017 ₹</b>	<b>For the Year ended on 31-Mar-2016 ₹</b>
Salaries and incentives	6,23,16,802	5,17,54,802
Contributions to Provident Fund, FPF and other Funds	33,59,146	30,94,334
Gratuity fund contributions	12,87,249	20,75,019
Leave Encashment expenses	9,19,609	10,91,534
Staff welfare expenses	7,49,371	2,79,242
<b>Total</b>	<b>6,86,32,178</b>	<b>5,82,94,931</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-2017</b>	<b>31-Mar-2016</b>
Employer's Contribution to Provident Fund / Employee's Pension Fund	33,59,146	30,94,334

**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:**

**Amount in ₹**

<b>Particulars</b>	<b>Gratuity</b>		<b>Leave Encashment</b>	
	<b>2016-17</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2015-16</b>
Defined Benefit Obligation as at 1st April	68,95,013	53,46,338	19,90,786	15,29,336
Current Service Cost	7,46,220	6,18,989	5,48,910	4,62,577
Interest Cost	5,48,843	4,25,034	1,58,467	1,21,582
Benefits Paid	(2,07,221)	(5,26,344)	(6,79,810)	(6,30,084)
Actuarial (gain) / loss on Obligations	(7,814)	10,30,996	2,12,232	5,07,375
Defined Benefit Obligation as at 31st March	79,75,041	68,95,013	22,30,585	19,90,786

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

**Amount in ₹**

<b>Particulars</b>	<b>Gratuity</b>		<b>Leave Encashment</b>	
	<b>2016-17</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2015-16</b>
Defined Benefit Obligation as at 31st March	79,75,041	68,95,013	22,30,585	19,90,786
Fair Value of Plan Assets as at 31st March	-	-	-	-
Liability / (Asset) recognized in the Balance Sheet included in Current Liabilities and Provisions	79,75,041	68,95,013	22,30,585	19,90,786

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

**Amount in ₹**

<b>Particulars</b>	<b>Gratuity</b>		<b>Leave Encashment</b>	
	<b>2016-17</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2015-16</b>
Current Service Cost	7,46,220	6,18,989	5,48,910	4,62,577
Interest Cost	5,48,843	4,25,034	1,58,467	1,21,582
Net actuarial (gain) / loss recognized in the period	(7,814)	10,30,996	2,12,232	5,07,375
Total Expenses recognized in the P & L Account included in Contribution to Provident and Other Funds	12,87,249	20,75,019	9,19,609	10,91,534



**(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:

Particulars	31-Mar-2017	31-Mar-2016
(a) Discount rate [per annum]	7.39%	7.96%
(b) Expected Retirement age of employees [years]	58	58
(c) Rates of leaving service – 2% (P.Y. 2%)	2%	2%
(d) Expected Increase in Salary – 5% (P.Y. 5%)	5%	5%

(e) Leave Availment Pattern, The balance leave is available for encashment on separation from the Company.

(f) The estimates of future salary increases, considered in the actuarial valuation, taken on account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

**21. Finance Cost**

Particulars	For the Year ended on 31-Mar-2017 ₹	For the Year ended on 31-Mar-2016 ₹
Interest expense	826	87,778
Other borrowing costs	3,678	69,005
Foreign Exchange fluctuation	-	-
<b>Total</b>	<b>4,504</b>	<b>1,56,783</b>

**22. Other Expenses**

Particulars	For the Year ended on 31-Mar-2017 ₹	For the Year ended on 31-Mar-2016 ₹
<b>Manufacturing Expenses</b>		
Labour Charges	3,82,69,290	3,34,14,793
Loading-Unloading Expense	11,68,717	1,85,013
Power and Fuel	8,71,00,939	9,05,03,645
Repair to Plant and Machinery	79,99,608	21,41,669
Rates and taxes, excluding, taxes on income.	83,02,515	67,77,473
Consumption of Stores, Chemicals & Packing Materials	10,24,86,283	8,21,25,646
Other Manufacturing Expenses	11,69,479	1,38,047
<b>Total Manufacturing Expenses</b>	<b>24,64,96,831</b>	<b>21,52,86,285</b>
<b>Administrative Expenses</b>		
Loss on Sales of Fixed Assets	-	1,40,867
Telephone Expenses	4,39,941	4,50,683
Professional Fees	65,79,100	47,15,116
Auditors Remuneration*	1,15,000	1,16,140
Stationery and Printings	25,920	20,366
Travelling Expenses	13,93,618	27,46,952
Insurance	15,69,301	14,28,799
Provision for Doubtful Advances (Net)	85,48,590	37,86,037
Donation	7,500	-
Membership Fees	45,671	3,91,267
Repair and Maintenance - Others	10,68,066	16,26,262



Particulars	For the Year ended on 31-Mar-2017 ₹	For the Year ended on 31-Mar-2016 ₹
Security Services	50,44,484	42,88,214
Vehicle Running-Repair Expense	12,99,056	7,05,327
Other Admin Expenses	32,92,229	33,89,453
Prior period expenses	22,902	-
<b>Total Administrative Expenses</b>	<b>2,94,51,378</b>	<b>2,38,05,482</b>
<b>Selling and Distribution Expenses</b>		
Transportation Expenses	1,49,723	7,40,065
Advertisement Expenses	5,341	42,203
Clearing Forwarding Expenses	-	4,73,836
<b>Total Selling and Distribution Expenses</b>	<b>1,55,064</b>	<b>12,56,103</b>
<b>Total Other Expenses</b>	<b>27,61,03,274</b>	<b>24,03,47,870</b>

23. \*Auditors Remuneration Includes

Particulars	For the Year ended on 31-Mar-2017 ₹	For the Year ended on 31-Mar-2016 ₹
As auditors - Statutory audit	75,000	75,000
Tax Audit	25,000	25,000
Certification fees & Other Services	-	-
Reimbursement of Expenses	-	-
<b>Total</b>	<b>1,00,000</b>	<b>1,00,000</b>

24. Other details to Balance Sheet

**A Contingent Liabilities and Commitments**

Particulars	For the Year ended on 31-Mar-2017 (₹ In Lacs)	For the Year ended on 31-Mar-2016 (₹ In Lacs)
Contingent Liabilities		
<b>a. Claims against the Company, not acknowledged as debts (including interest and penalty)</b>		
- 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 note 26 & 34)	13243.99	21153.92
- proceeding initiated by NSEL, Maharashtra Protection of Interest of Depositors (in financial establishments)-Act, and Directorate of Enforcement, Government of India ( refer note 32 & 33)	Amount not ascertainable	Amount not ascertainable

Note:

- 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.
- 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 was declared sick by Hon'ble Board for Industrial & Financial Reconstruction (BIFR) and had submitted rehabilitation scheme for consideration to the Operating Agency (OA). However, since SICA Act has been repealed with effect from 01.12.2016, as per the provisions of the SICA Repeal Act the Company had to submit its application to National Company Law Tribunal (NCLT) within 6 months from the date of SICA repeal Act. Till date, the Company is yet to Submit its Scheme to Hon'ble NCLT.



26. 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), Ahmedabad has subsequently given partial relief to the extent of ₹ 28.84 Crores. The Company had preferred an appeal before the Hon'ble High Court of Gujarat against the order of Hon'ble ITAT, Ahmedabad. Hon'ble Gujarat High Court vide its order dated 20th June, 2016 had given partial relief on some of the grounds and had also dismissed some of the grounds of the Company. Against the grounds dismissed by Hon'ble High Court of Gujarat, the Company had further preferred an appeal before Hon'ble Supreme Court of India, and the Hon'ble Supreme Court of India vide order dated 16th January, 2017 had dismissed the appeal of the Company. The Company had provided an amount of ₹2.88 Crore against the grounds dismissed by Hon'ble ITAT during F.Y 2002-03 as well as ₹1.27 Crores was provided in the books of accounts for the Assessment year in question for the interest payable upto 31-03-2005 during F.Y 2004-05 However in view of the management and on the basis of the Judgment of the Hon'ble Gujarat High Court, the amount provided/paid by the Company towards total demand shall result in refund to the Company. Pending effect of Order by the Income Tax Department, no effect has been given by the Company in the books of accounts for the year under review.
27. a No provision is made during the year for interest receivable on various advances amounting to ₹ 3001.21 Lakhs (P.Y. ₹ 3001.21 Lakhs ) as the same are considered doubtful.
- b. The Company has obtained a legal opinion from an expert and in view of the said opinion as the money has been given as loans and advances prior to the commencement of Companies Act, 2013, the provisions of Section 186(7) of the Companies Act, 2013 is not applicable. Further , based on the said legal opinion ,the Company has not provided any interest on the outstanding loans and advances of NK Oil Mills Pvt Ltd. This being a technical matter, Auditors have relied upon the opinion of the expert.
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 ₹326.25 Crores as at 31.3.2017 and the net worth of the Company is negative. However, as informed by the management, 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 in the books of the Company and accounts for the year have been prepared on "Going concern basis".
30. 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.
31. As per a guidance note to schedule II of the Companies Act 2013 , 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.
32. The Company had entered into financial arrangement with National Spot Exchange Ltd (NSEL) through trading and Clearing Member, N.K.Proteins Private Ltd (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 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 Home department, Government of Maharashtra has issued a notification under the Maharashtra Protection of Interest of Depositors (in financial establishments)-Act, 1999 (MPID Act) attaching the Land, Building & Plant & Machinery of the Company located at Kadi, Gujarat. The Company had challenged the notification issued by Home department, Government of Maharashtra, before the Hon'ble High Court of Gujarat. The Hon'ble Gujarat High Court had disposed off the application of the Company vide its order dated 29th March 2017. The Company had preferred a Special Leave Petition before the Hon'ble Supreme Court of India .The Hon'ble Supreme Court of India had disposed off the Special Leave Petition on 17th April, 2017 with an observation to file an application before Hon'ble Bombay High Court and as informed by the Management, the Company is in process of filing the said application.
33. 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 preferred an appeal before the Hon'ble Appellate Tribunal under the Prevention of Money laundering Act, 2002
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 142 (2A) of the IT Act, 1961, for AY 2010-11, A.Y 2011-12 , A.Y 2012-13 & A.Y 2013-14. The department had raised a demand of ₹132 Crores ( ₹6.63 Crores for A.Y 2010-11, ₹57.07 crores for A.Y 2011-12, ₹ 60.33 Crores for A.Y 2012-13 & ₹ 7.97 Crores for A.Y 2013-14 ) on the Company for the aforesaid assessment years 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 attachment order on 22.04.2015 & 14.08.15 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.
  3. Land, 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
  4. Factory Building Situated at survey No 745, Kadi Thol Road, Village Kadi Kasba , Taluka- Kadi, District Mehsana-382715
34. a The Company has received a notice from Income tax department for the attachment of its registered office at 7th Floor, Popular House, Opp. Sales India, Ashram Road, Ahmedabad 380009 with respect to demand raised by them as detailed in note 34 of the financial statements.
35. No provision for Deffered Tax assets has been made as there is no virtual certainty of setting the same in near future.
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 previous year's figures have been regrouped reworked, rearranged and reclassified wherever necessary to make them comparable with current year figures.

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

**a Earnings per share**

Particulars		For the Year ended on 31-Mar-2017 (₹ In Lacs)	For the Year ended on 31-Mar-2016 (₹ In Lacs)
Contingent Liabilities			
Basic			
Profit attributable to equity shareholders	₹	(6,08,39,401)	(2,42,90,678)
Nominal Value of equity share	₹	10	10
Weighted average number of ordinary equity shares for Basic EPS	No.	60,09,900	60,09,900
Basic and Diluted EPS	₹	(10.12)	(4.04)

**b Details of Prior period Items**

Particulars		For the Year ended on 31-Mar-2017 (₹ In Lacs)	For the Year ended on 31-Mar-2016 (₹ In Lacs)
Contingent Liabilities			
Consultancy Charges		17,175	-
Interest Income		-	(16,74,727)
Member Ship Fees		-	3,02,184
Electric Expenses		5,727	-
Others		-	-
Repair & Maintance Plant & Machineary		-	1,34,143
Freight		-	64,000
Total		22,902	(11,74,400)

**c Earnings in foreign currency**

Particulars		For the Year ended on 31-Mar-2017 (₹ In Lacs)	For the Year ended on 31-Mar-2016 (₹ In Lacs)
Contingent Liabilities			
FOB VALUE OF EXPORTS		-	3,47,24,640

**d Expenditure in foreign currency : Nil (Prev. Year Nil)**





### 39. Related party disclosures

Note: Related Parties have been identified by the management

#### A List of related parties

<b>Key Managerial Personnel (KMP)</b>		
1	Nimish K. Patel	Chairman & Managing Director
2	Nilesh K. Patel	Managing Director
3	Hasmukh K. Patel	(Whole Time Director)
4	Ashwinbhai Patel	(Chief Finance Officer)
5	Akanksha Srivastava	(Company Secretary) w.e.f. 12th November, 2016
6	Heena P. Jain	(Company Secretary) resigned on 17th October, 2016
<b>Additional Directors</b>		
1	B.S.Yadav (w.e.f. 12th November, 2016)	
<b>Independent Directors</b>		
1	Jaimin Virendra Modi	
2	Bharat Jayantilal Patel	
3	Mridu Sharma (w.e.f. 11th August, 2016)	
<b>Name of Relatives of KMP/Directors</b>		
1	Nimish K. Patel	Mrs. Sonalben N. Patel Mrs. Venushree N. Patel Mr. Amar Dhaduk Ms. Vedanshee N. Patel
2	Nilesh K. Patel	Mrs. Ashitaben Patel Mr. Priyam Patel Mrs. Panna Priyam Patel Mrs. Priyanshi Patel Mr. Deep Vadodaria
<b>Firm/LLP in which directors/manager/his relative is a partner</b>		
1	NKPL Realty LLP	
2	NKP Enterprise LLP	
3	Nimish K. Patel HUF	
4	Nilesh K. Patel HUF	
<b>Private Company in which director/member or his relative is a member/director</b>		
1	Adrenal Advertising and Promotions Private Limited	
2	Banpal Oilchem Private Limited	
3	N K Oil Mills Private Limited	
4	N K Proteins Private Limited (Formerly known as N K Proteins Limited)	
5	Tirupati Proteins Private Limited	
6	Tirupati Retail (India) Private Limited	
<b>Wholly owned Subsidiary Company of such Company</b>		
1	N K Oil Mills Private Limited	
2	Banpal Oilchem Private Limited	



**B Details of transactions with related party**

(₹ in lacs)

Sr	Name of party	Nature of Transaction	2016-17	2015-16
1	Ashwin P. Patel	Remuneration	6.00	6.00
2	Banpal Oil Chem Pvt Ltd	Sale of Fixed Asset	-	96.14
3	Banpal Oil Chem Pvt Ltd	Investment in Subsidiary	75.59	175.01
4	Adrenal Advertisement Pvt Ltd	Purchases/ Services	0.08	0.21
5	N K Proteins Pvt. Ltd. (Formerly known as N K Proteins Limited)	Purchases/ Services	6,840.77	4,745.29
6	N.K.P Enterprise LLP	Purchases/ Services	2.98	0.69
7	N K Proteins Pvt. Ltd.	Sales/Jobwork charges	3595.85	4357.02
8	N K Oil Mills Pvt.Ltd	Investment in Subsidiary (*)	-	0.56
9	Nilesh K. Patel	Remuneration	30.00	21.61
10	Nimish K. Patel	Remuneration	30.00	21.61
11	Hasmukhbhai Patel	Whole Time Director	5.97	5.97
12	Monica Surjani	CS Remuneration	-	1.34
13	Heena Jain	CS Remuneration	1.11	0.61
14	Akanksha Srivastava	CS Remuneration	0.97	-

(\*) The investment made in subsidiary is by way of purchase of shares from Directors and their relatives amount to 0.55 lakhs.

**C Details of Closing Balances - Receivable/(Payable)**

Sr	Name of party	31-Mar-2017	31-Mar-2016
1	N.K.P Enterprise LLP (N K Corporation )	-	-
3	N K Oil Mills Pvt.Ltd	1,111.42	1,111.92
4	N K Proteins Pvt. Ltd. (Formerly known as N K Proteins Limited)	3,394.60	3,288.46
5	Banpal Oil Chem Pvt Ltd	1,199.98	1,275.57
6	Tirupati Proteins Pvt.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 ₹ 4249.15 lacs. and said amount has been considered as doubtful and the Company has made provision for the same. On the basis of certificate received from the Management of the Company, the Company does not have any control on its Joint Venture "AWN AGRO PRIVATE LIMITED". Hence no Disclosure as per AS-27 is required.
41. The balance confirmation from the suppliers, customers as well as to various loans or advances given have been called for, but the same are awaited till date. In view of the non-availability of the same, the balances of receivables, trade payables as well as loans and advances have been taken as per the books of accounts submitted by the Company and are subject to confirmation from the respective parties.
42. In the schedule of fixed assets, land and building have been shown in the name of the Company. However, total carrying amount of ₹ 18.86 lakhs as on 31.03.2017, the title of the property has not been conveyed in the name of the Company till the date of our audit.



43. During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

	<b>Specified Bank Notes i.e. Rs. 1000 &amp; 500 Denomination</b>	<b>Other Denomination Notes i.e. Rs. 100,50,10 Denomination</b>	<b>Total</b>
Closing Cash on hand 08-11-2016	16,36,000	2,83,926	19,19,926
Permitted Receipts	-	1,20,000	1,20,000
Permitted Payments	-	3,32,577	3,32,577
Amount Deposited in Bank	16,36,000	-	16,36,000
Closing Cash on hand 31-12-2016	-	71,349	71,349

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.*

44. Micro, Small & Medium Enterprises

As per the Micro, Small & Medium Development Act, 2006 and to the extent of the information available, amounts unpaid as at the year end together with the interest paid / payable, is as follows:

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
The Principal Amount	6,48,860	5,14,109
Interest Paid under MSMED Act, 2006	NIL	NIL
Interest due (Other than 23.3 (b))	NIL	NIL
Interest accrued and unpaid	NIL	NIL
Interest due and payable till actual payment	NIL	NIL

As per our report of even date attached.

For, **PARIKH & MAJMUDAR**  
Chartered Accountants  
Firm's Registration Number:107525W

**CA DR HITEN PARIKH**  
Partner  
Membership No.040230  
Ahmedabad  
08th May,2017

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

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

**Ashwin P. Patel**  
Chief Financial Officer

Ahmedabad  
08th May,2017

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

**Akanksha Srivastava**  
Company Secretary



## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

#### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of M/s N.K INDUSTRIES LIMITED ("the Company"), & its Subsidiary Companies (the Company and its Subsidiary Companies together referred as the "Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information "the Consolidated Financial Statements."

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

The Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act as applicable, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Company and its Subsidiary Companies are responsible for 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these consolidated financial statements by the Board of Directors of the Company.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

While conducting the 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 there under.

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 Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated 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 Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors referred to in the 'Emphasis of Matter' & 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

#### Basis of Qualified Opinion

1. The Holding Company had entered into financial arrangement with National Spot Exchange Ltd (NSEL) through trading and Clearing Member, N.K. Proteins Private Ltd (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 of the Holding Company are subject to confirmations by the respective parties and reconciliations/adjustments, if any. Further, NSEL has suspended the trading on 31.07.2013 and has initiated recovery proceedings against the group Company NKPL and also against the Holding Company and the said proceedings are pending as on date. Further, the Home department, Government of Maharashtra has issued a notification under the Maharashtra Protection of Interest of Depositors (in financial establishments)- Act, 1999 (MPID Act) attaching the Land, Building & Plant & Machinery of the Company located at Kadi , Gujarat. The Holding Company had challenged the notification issued by Home department, Government of Maharashtra, before the Hon'ble High Court of Gujarat. The Hon'ble Gujarat High Court had disposed off the application of the Holding Company vide its order dated 29<sup>th</sup> March 2017. The Holding Company had preferred a Special Leave Petition before the Hon'ble Supreme Court of India .The Hon'ble Supreme Court of India had disposed off the Special Leave Petition on 17<sup>th</sup> April, 2017 with a observation to file an application before Hon'ble Bombay High Court ,and as informed by the management, the Holding Company is in the process of filing the said application. 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 loss of the Holding Company for the year under review. (Refer Note No. 32 of Consolidated Financial Statements).



2. The Directorate of Enforcement, Government of India has initiated proceedings against the Holding 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 Holding Company has preferred an appeal before the Hon'ble Appellate Tribunal under the Prevention of Money laundering Act, 2002. However, matter is subjudice, we are unable to quantify the liability and its impact if any, on the loss of the Holding Company for the year under review. (Refer Note no 33 of Consolidated 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 Consolidated 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 group as at 31<sup>st</sup> March, 2017, and its consolidated loss and its consolidated cash flows for the year ended on that date.

#### Emphasis of Matters

1. We draw attention to Note No. 29 to the Consolidated financial statements which states that the Consolidated accounts reflects accumulated losses of ₹ 328.36 Crores as at 31.3.2017 and the net worth of the Consolidated accounts as well as Holding Company and Subsidiary Companies is negative. As informed by the Management of the Holding Company, the Holding 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 provision for the impairment has not been provided for and accounts for the year have been prepared on "going concern basis."

Similarly, on the basis of the Certificate received from the respective auditors of the Subsidiary Companies, the efforts made by the Management, said subsidiary companies are also making sincere efforts to revive the business and the Management of the said Subsidiary companies are confident to recover the losses through improved profitability in foreseeable future. Therefore no provision for the impairment has been made in the books of Subsidiary Company & consolidated accounts and accounts of the subsidiary Company for the year have been prepared on "going concern basis."

2. A) Attention is invited to Note No. 34 of the Consolidated 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 Holding Company along with other group

companies during FY 2013-14 and had ordered a special audit of the books of the Company u/s 142 (2A) of the IT Act, 1961, for AY2010-11, A.Y 2011-12, A.Y 2012-13 & A.Y 2013-14. The department had raised a demand of ₹ 132 Crores ( ₹ 6.63 Crores for A.Y 10-11, ₹ 57.07 crores for A.Y 11-12, ₹ 60.33 Crores for A.Y 12-13 & ₹ 7.97 Crores for A.Y 2013-14 ) on the holding Company for the aforesaid assessment years and the said demand has been disputed by the holding Company and the holding 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 consolidated accounts. Further, Income tax department has passed an attachment order on 22.04.2015 & 14.08.15 by which it has attached properties of the holding Company in pursuant to a demand, the details of the properties attached which are in the name of holding 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.
  - Land, 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
  - Factory Building Situated at survey No 745, kadi Thol Road, Village Kadi Kasba , taluka- Kadi, District Mehsana-382715
- B) Attention is invited to Note No. 26 of the Consolidated Financial Statements which states that a Search & Seizure action u/s 132 of the Income Tax Act took place on 24.2.99 on Holding Company. The Income Tax department had raised demand of ₹ 33.12 Crores vide the block assessment order dt. 30.4.2001. In case of Holding Company, the Income Tax Appellate Tribunal (ITAT), Ahmedabad has subsequently given partial relief to the extent of ₹ 28.84 Crores. The Holding Company had preferred an appeal before the Hon'ble High Court of Gujarat against the order of Hon'ble ITAT, Ahmedabad. Hon'ble Gujarat High Court vide its order dated 20<sup>th</sup> June, 2016 had given partial relief on some of the grounds and had also dismissed some of the grounds of the Company. Against the grounds dismissed by Hon'ble High Court of Gujarat, the Holding Company had further preferred an appeal before Hon'ble Supreme Court of India, and the Hon'ble Supreme Court of India vide order dated 16<sup>th</sup> January,2017 had dismissed the appeal of the Holding Company. The Holding Company had provided an amount of ₹2.88 Crore against the grounds dismissed by Hon'ble ITAT during F.Y 2002-03 as well as ₹1.27 Crores was provided in the books of accounts for the Assessment year in question for the interest payable



upto 31-03-2005 during F.Y 2004-05 However in view of the management of the Holding Company and on the basis of the Judgment of the Hon'ble Gujarat High Court, the amount provided/paid by the Holding Company towards total demand shall result in refund to the Holding Company. Pending effect of Order by the Income Tax Department, no effect has been given by the Holding Company in the books of accounts for the year under review. In view of non availability of appeal effect order from the Income Tax Department, we are unable to opine on the same.

3. Attention is invited to Note No. 37 of the Consolidated Financial Statements, NSEL has initiated recovery proceedings against the group Company N.K. Proteins Private Ltd and has also made one of the Subsidiary Company viz. N.K. Oil Mills Pvt Ltd a party to the said proceedings and these proceeding are pending as on date.
4. Attention is invited to Note No. 36 of the Consolidated Financial Statements which states that Sales Tax Department has completed the assessment proceedings in case of Holding Company for various assessment years and raised demand of ₹ 5554.43 lacs for the earlier financial years. The Holding Company has not made any provision for the above demand raised by the sales tax authority in view of the fact that the said Holding Company has preferred an appeal before the Appellate Authority. In view of the fact that the Holding Company has challenged the assessment proceedings. The said amount has been shown as contingent liability under Note No. 23 of the notes forming part of Consolidated Financial Statements.
5. Attention is also invited to note 25 of the Consolidated Financial Statements which states the Holding Company was declared sick by Hon'ble Board for Industrial & Financial Reconstruction (BIFR) and had submitted rehabilitation scheme for consideration to the Operating Agency (OA). However, since SICA Act has been repealed with effect from 01.12.2016, as per the provisions of the SICA Repeal Act the Holding Company had to submit its application to National Company Law Tribunal (NCLT) within 6 months from the date of SICA repeals Act. Till date, the Holding Company is yet to submit its Scheme to Hon'ble NCLT. In view of non-submission of scheme to Hon'ble NCLT by the Holding Company, the impact of the debt resolution could not be ascertained.
6. Attention is invited to Note No. 41 of the Consolidated Financial Statements which states that the balance confirmation from the suppliers, customers as well as to various loans or advances given have been called for of the Holding Company, but the same are awaited till the date of this report. In view non-availability of the same, the balances of receivables, trade payables as well as loans and advances have been taken as per the books of accounts submitted by the Holding Company and are subject to confirmation from the respective parties.
7. Attention is invited to Note No. 35 of the Consolidated Financial Statements, where in case of one the Subsidiary Company viz. Banpal Oil Chem Pvt Ltd , 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 Factory Plant, Land, Building & Plant & Machinery of the Company located plot No. 144/64 of Chandisar Industrial Area. GIDC Mauje Chandisar, Taluka-Palanpur, Dist- Banaskantha, Gujarat. As explained to us, The said Subsidiary Company has filed its detailed response to such attachment notice before the Adjudicating Authority (PMLA) New Delhi and matter is subjudice as on date we are unable to quantify the liability and its impact if any, on the loss of the Holding Company.
8. Attention is invited to Note No 36 of the Consolidated Financial Statements, where in case of one the Subsidiary Company viz. Banpal Oil Chem Pvt Ltd , 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, and by virtue of the provisional attachment order dated 27.08.2014, attached the assets of the subsidiary Company comprising of Factory Plant, Land, Building & Plant & Machinery of the Company located at Plot No. 144/64,65,66 of Chandisar Industrial Area, GIDC, Mauje Chandisar, Taluka-Palanpur, Dist- Banaskantha, Gujarat. As explained to us, The said Subsidiary Company has preferred an appeal before the Hon'ble Appellate Tribunal under the Prevention of Money laundering Act, 2002. However, matter is subjudice, we are unable to quantify the liability and its impact if any, on the profit or loss of the Subsidiary Company.
9. Attention is invited to Note No 37 of the Consolidated Financial Statements, where in case of one the Subsidiary Company viz. Banpal Oil Chem Pvt Ltd, Income tax department has passed an attachment order on 20.05.2016 by which it has attached properties of the subsidiary Company in pursuant to a demand, the details of the properties attached which are in the name of subsidiary Company and the details of which are as under:
  - Plot of land bearing Plot No 144/64, of Chandisar Industrial Area, GIDC Mauje chandisar, Taluka-Palanpur, Dist- Banaskantha,
  - Plot of land bearing Plot No 144/65, of Chandisar Industrial Area, GIDC Mauje chandisar, Taluka-Palanpur, Dist- Banaskantha,
  - Plot of land bearing Plot No 144/66, of Chandisar Industrial Area, GIDC Mauje chandisar, Taluka-Palanpur, Dist- Banaskantha,In view of the fact that the Holding Company has challenged the assessment proceeding, The said amount has been shown as contingent liability under Note No. 23 of the notes forming part of Consolidated Financial Statements.
10. Attention is invited to Note No. 30 of the Consolidated Financial Statements which states that, on the basis



of certificate received from the Management of the Holding Company, the Holding Company does not have any control on its joint Venture viz "AWN AGRO PRIVATE LIMITED" and hence the accounts of the said Joint Venture has not been consolidated.

Our opinion is not qualified on the above matters.

#### Other Matter

We did not audit the Financial Statements of one subsidiary, whose Financial Statements reflect Total assets of ₹254.94 Lacs, as at 31<sup>st</sup> March 2017 and total revenues of ₹1720.48 Lacs & net cash outflows amounting to ₹2.94lacs for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other Auditors.

Our opinion on the Consolidated Financial Statements, and our report on other legal and regulatory requirements below, is not modified in respect of above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid Consolidated Financial Statements.
- (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) *The matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the group.*

- (e) In our opinion, the aforesaid Consolidated 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 of the Company as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors of the Company and the reports of the Statutory Auditors of the Subsidiary Companies incorporated in India, none of the directors of the Group Companies, incorporated in India, is disqualified as on March 31, 2017 from being appointed as a Director in terms of Section 164(2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the Auditors report of the Company & its subsidiary companies incorporated In India.
- (h) 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 group has disclosed the impact of pending litigations on the consolidated financial position of the group- refer Note No. 23 to the Consolidated Financial Statements in its Consolidated Financial Statements as of March 31, 2017.
  - ii. The group did not have any material foreseeable losses on long term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the holding Company and its subsidiaries incorporated in India.
  - iv. the group has provided requisite disclosures in its Consolidated Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the group refer Note No. 40 to the Consolidated Financial Statements

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

[C.A (Dr) Hiten M. Parikh]  
PARTNER  
Membership No. 40230

Place : Ahmedabad  
Date : 08/05/2017



## Annexure A to the Auditor's Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s N.K. INDUSTRIES LIMITED ("the Company") and its subsidiary companies incorporated in India as at 31 March 2017 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained and audit evidence obtained by other auditors of the subsidiary companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion

on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information & according to the explanations given to us, the Holding Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### Other Matter

Our aforesaid report under section 143(3)(i) of the act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary companies, incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Parikh & Majmudar  
Chartered Accountants  
FR No. 107525W

[C.A (Dr) Hiten M. Parikh]  
PARTNER  
Membership No. 40230

Place : Ahmedabad  
Date : 08/05/2017





## Consolidated Balance Sheet as at March 31, 2017

Amt in ₹

Particulars	Note No.	31-Mar-2017	31-Mar-2016
<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	(328 33 28 123)	(322 04 89 562)
Sub-Total Shareholders' funds		(322 32 29 123)	(316 03 90 562)
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other long-term liabilities	3	6 30 44 76 592	6 31 87 61 451
(d) Long-term provisions	4	2 49 87 664	2 49 87 664
Total Non-current liabilities		6 32 94 64 256	6 34 37 49 115
<b>3 Current liabilities</b>			
(a) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	5	6 48 860	5 14 109
Total outstanding dues of creditors other than Micro Enterprise and Small Enterprise		1 91 32 467	2 02 91 322
(b) Other current liabilities	6	1 58 13 404	86 69 384
(c) Short-term provisions	7	44 88 209	29 50 445
<b>Total Current liabilities</b>		<b>4 00 82 941</b>	<b>3 24 25 260</b>
<b>Total Equity and Liabilities</b>		<b>3 14 63 18 074</b>	<b>3 21 57 83 812</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(a) Tangible assets		1 45 28 95 962	1 56 07 65 215
(b) Intangible assets		23 00 13 999	23 00 24 864
(c) Capital work In progress		2 25 32 128	28 57 989
	8	1 70 54 42 089	1 79 36 48 068
(b) Non-current investments	9	19 46 169	19 41 169
(c) Deferred Tax Assets		94 77 692	85 62 653
(d) Long-term loans and advances	10	95 39 84 032	96 04 76 486
(e) Other non-current assets	11	3 84 72 687	3 87 73 664
<b>Sub-Total Non-current assets</b>		<b>2 70 93 22 669</b>	<b>2 80 34 02 040</b>
<b>2 Current assets</b>			
(a) Inventories	12	7 99 39 884	6 72 03 237
(b) Trade receivables	13	32 60 65 607	32 43 95 348
(c) Cash and Bank Balance	14	1 10 33 619	1 24 11 238
(d) Short-term loans and advances	15	1 99 56 294	83 71 948
(e) Other Current assets		-	-
<b>Sub-Total Current assets</b>		<b>43 69 95 403</b>	<b>41 23 81 771</b>
<b>Total Assets</b>		<b>3 14 63 18 074</b>	<b>3 21 57 83 812</b>

Notes forming part of the consolidated financial statements

As per our report of even date attached.

For, **PARIKH & MAJMUDAR**  
Chartered Accountants  
Firm's Registration Number:107525W

**CA DR HITEN PARIKH**  
Partner  
Membership No.040230  
Ahmedabad  
08th May,2017

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

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

**Ashwin P. Patel**  
Chief Financial Officer

Ahmedabad  
08th May,2017

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

**Akanksha Srivastava**  
Company Secretary



## Consolidated Statement of Profit & Loss for the year ended on March 31, 2017

Amt in ₹

Particulars	Note No.	For the Year ended on 31-Mar-2017	For the year ended on 31-Mar-2016
<b>Revenue</b>			
Revenue from operations	16	1 08 05 72 675	1 04 36 55 255
Other income	17	1 88 85 472	72 92 635
<b>Total Revenue</b>		<b>1 09 94 58 147</b>	<b>1 05 09 47 889</b>
<b>Expenses</b>			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade	18	51 24 95 230	51 98 02 899
Changes in inventories of finished goods WIP and Stock-in-Trade	19	83 89 352	(2 89 92 825)
Employee benefits expenses	20	9 83 82 372	8 90 24 183
Finance costs	21	13 040	2 76 985
Depreciation and amortization expense		12 60 92 343	13 30 55 221
Other expenses	22	41 72 48 552	39 71 34 928
<b>Total expenses</b>		<b>1 16 26 20 889</b>	<b>1 11 03 01 391</b>
<b>Profit before exceptional item</b>		<b>(6 31 62 742)</b>	<b>(5 93 53 502)</b>
<b>Exceptional Items + / (-)</b>		-	-
<b>Profit after exceptional item</b>		<b>(6 31 62 742)</b>	<b>(5 93 53 502)</b>
<b>Profit before tax for the year</b>		<b>(6 31 62 742)</b>	<b>(5 93 53 502)</b>
Tax expense:		-	-
Current tax		5,90,857	5,02,000
Earlier Year's excess Provision w/off		-	(1,10,70,295)
Deferred tax		(9,15,039)	(54,37,834)
		<b>(3,24,182)</b>	<b>(1,60,06,129)</b>
<b>Profit (Loss) for the period</b>		<b>(6 28 38 560)</b>	<b>(4 33 47 373)</b>
Earnings per equity share:			
Basic and Diluted		(10.46)	(7.21)

As per our report of even date attached.

For, **PARIKH & MAJMUDAR**  
Chartered Accountants  
Firm's Registration Number:107525W

**CA DR HITEN PARIKH**  
Partner  
Membership No.040230  
Ahmedabad  
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08th May,2017

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

**Akanksha Srivastava**  
Company Secretary



## Consolidated Cash Flow Statement for the year ended on 31st March, 2017

(Amt in ₹)

Particulars	31-Mar-2017	31-Mar-2017	31-Mar-2016	31-Mar-2016
<b>Cash Flow Operating Activities:</b>				
Net Profit After Tax and Extra Ordinary Items		(6,31,62,742)		(5,93,53,501)
Adjustment for :				
Depreciation & write off		12,60,92,343		13,30,55,220
Provision for doubtful advances		-		2,52,67,009
(Profit)/loss on sale of assets		-		1,40,867
Interest received		(37,07,977)		(30,06,935)
Interest paid		13,040		2,76,985
		<b>5,92,34,664</b>		<b>9,63,79,644</b>
Adjustment for :				
Trade receivables(including loans and advances)	(1,32,54,605)		14,77,84,459	
Adjustment in Consolidation (net)	-		(5,96,01,222)	
Inventories	(1,27,36,647)		(4,20,89,626)	
Trade Payable (including other current liabilities)	76,57,681	(1,83,33,572)	(35,71,70,642)	(31,10,77,031)
Cash Generated from operating Activities		4,09,01,092		(21,46,97,387)
Less: Income Tax Paid		5,90,857		5,02,000
Cash flow before extra ordinary item		4,03,10,235		(21,51,99,388)
Extra ordinary items		-		-
<b>Net Cash Flow from operating Activities</b>		<b>4,03,10,235</b>		<b>(21,51,99,388)</b>
<b>Cash Flow From Investing Activities:</b>				
Purchase of Fixed Assets	(3,78,86,364)		(25,48,45,397)	
Changes in non current assets	67,93,430		42,10,75,943	
Interest received	37,07,977		30,06,935	
Proceeds from Sale of Fixed Assets	-		-	
Purchase /Sale of investment	(5,000)	(2,73,89,957)	(7,64,609)	16,84,72,872
<b>Net Cash Flow from Investing Activities</b>		<b>(2,73,89,957)</b>		<b>16,84,72,872</b>
<b>Cash Flow From Financing Activities:</b>				
Changes in non current liabilities	(1,42,84,859)		4,53,92,155	
Proceeds from Borrowing	-		-	
Interest Paid	(13,040)		(2,76,985)	
Net Cash used in Financial Activities		(1,42,97,899)		4,51,15,170
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(13,77,620)</b>		<b>(16,11,346)</b>
Cash & Cash equivalent as at 01st April		1,24,11,238		1,40,22,584
<b>Cash &amp; Cash equivalent as at 31st March</b>		<b>1,10,33,618</b>		<b>1,24,11,238</b>
Note: Cash and Cash Equivalents Includes:				
a) Cash on hand		9,61,877		28,23,161
b) Balance with Banks in Current account		58,72,957		55,66,102
c) Balance with Banks in fixed deposit less than 12 months		41,98,784		40,21,974
		<b>1,10,33,618</b>		<b>1,24,11,238</b>
As Explained to us in Note 43, as the consolidation ha been effected in the current financial year and previous year figures have not been regrouped. The adjustment difference on cash flow arising out of such consolidattion has been disclosed as "Adjustment in Consolidation (net)" In the Consolidated Cash Flow Statement.				

As per our report of even date attached.

For, **PARIKH & MAJMUDAR**  
Chartered Accountants  
Firm's Registration Number:107525W

**CA DR HITEN PARIKH**  
Partner  
Membership No.040230  
Ahmedabad  
08th May,2017

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

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

**Ashwin P. Patel**  
Chief Financial Officer

Ahmedabad  
08th May,2017

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

**Akanksha Srivastava**  
Company Secretary



**A. SIGNIFICANT ACCOUNTING POLICIES**

**i) BASIS OF PREPARATION**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as 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 guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, "Consolidated Financial Statements". The consolidated financial statements comprise the financial statements of the company, its controlled trusts and its subsidiaries as under combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealised gain/loss. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Minority interests have been excluded. Minority interests represent that part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company.

The difference between the costs of investment in the subsidiary company, over the net assets at the time of acquisition of shares in the subsidiary company is recognized in the Consolidated financial statements as goodwill or capital reserve as the case may be.

The subsidiaries considered in the consolidated financial statements as at 31st March 2017 are

Name of the Subsidiary Company	Country of Incorporation	% of holding either directly or through subsidiaries
Banpal Oilchem Private Limited	India	100
NK Oil Mills Private limited	India	100

**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 reassure 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 perform 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.



## Notes to Consolidated Financial Statements

### 1. Share Capital

#### a Details of Share Capital

Particulars	31-Mar-2017		31-Mar-2016	
	Number	₹	Number	₹
<b>Authorized</b>				
<b>Preference Share Capital</b>				
500000 (P.Y.500000)Preference shares of ₹100 each	5 00 000	5 00 00 000	5 00 000	5 00 00 000
<b>Equity Share Capital</b>				
25000000 (P.Y 25000000) Equity Share of ₹ 10 Each	2 50 00 000	25 00 00 000	2 50 00 000	25 00 00 000
		<b>30 00 00 000</b>		<b>30 00 00 000</b>
<b>Issued, Subscribed &amp; Paid up</b>				
6009900 (P.Y 6009900 )Equity Share of ₹ 10 each	60 09 900	6 00 99 000	60 09 900	6 00 99 000
<b>Total</b>	<b>60 09 900</b>	<b>6 00 99 000</b>	<b>60 09 900</b>	<b>6 00 99 000</b>

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

##### Equity Shares

Particulars	31-Mar-2017		31-Mar-2016	
	Number	₹	Number	₹
At the beginning of the period	60 09 900	6 00 99 000	60 09 900	6 00 99 000
Issued during the period				
<b>Outstanding at the end of the period</b>	<b>60 09 900</b>	<b>6 00 99 000</b>	<b>60 09 900</b>	<b>6 00 99 000</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.

Name of Shareholder/Company	31-Mar-2017		31-Mar-2016	
	No. of Shares held	%	No. of Shares held	%
<b>Names of person holding more than 5% shares</b>				
Ashita Nilesh Patel	12 73 889	21.20	12 73 889	21.20
Sonal Nimish Patel	11 51 570	19.16	11 51 570	19.16
N K Proteins Pvt. Ltd. (Formerly Known as NK Proteins Limited)	3 67 302	6.11	3 67 302	6.11



## 2. Reserves & Surplus

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
<b>General Reserves</b>		
Opening Balance	10,38,073	10,38,073
Closing Balance	10,38,073	10,38,073
<b>Security Premium Reserves</b>		
Opening Balance	9,02,97,000	9,02,97,000
Closing Balance	9,02,97,000	9,02,97,000
<b>Capital Reserve</b>		
Opening Balance	17,40,25,339	17,40,25,339
Capital Reserve due to Consolidation	-	-
Closing Balance	17,40,25,339	17,40,25,339
<b>Capital redemption Reserve</b>		
Opening Balance	2,58,120	2,58,120
Closing Balance	2,58,120	2,58,120
<b>Revaluation Reserve (Note Below)</b>		
Opening Balance	1,58,85,65,815	1,58,85,65,815
Closing Balance	1,58,85,65,815	1,58,85,65,815
<b>Surplus/(Deficit)</b>		
Opening Balance	(5,07,46,73,909)	(5,03,13,26,536)
Less: Adjustment on a/c of Change in Useful life of Assets Current Year	-	-
(+) Net Profit/(Net Loss) For the current year	(6,28,38,560)	(4,33,47,373)
Closing Balance	(5,13,75,12,470)	(5,07,46,73,909)
<b>Total</b>	<b>(3,28,33,28,123)</b>	<b>(3,22,04,89,562)</b>

## 3. Other long-term liabilities

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
Trade Payables	6,30,27,90,379	6,31,87,61,451
Security Deposit	16,86,213	16,86,213
<b>Total</b>	<b>6,30,44,76,592</b>	<b>6,32,04,47,664</b>

## 4. Long Term Provisions

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
<b>Provision for Employee Benefits</b>		
Provision For Leave Benefit	15,71,668	15,71,668
Provision For Gratuity	63,64,411	63,64,411
<b>Total</b>	<b>79,36,079</b>	<b>79,36,079</b>
<b>Others</b>		
Interest Payable On Block Assessment	1,47,58,294	1,47,58,294
Provision- Income Tax - Block Assessment	22,93,291	22,93,291
<b>Total</b>	<b>1,70,51,585</b>	<b>1,70,51,585</b>
<b>Total</b>	<b>2,49,87,664</b>	<b>2,49,87,664</b>



5. Trade Payables

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
<b>Trade Payables(other than accetances)</b>		
Total outstanding dues of Micro Enterprise and Small Enterprise	6,48,860	5,14,109
Total outstanding dues of creditors other than Micro Enterprise and Small Enterprise (Refer Note No. 43)	1,91,32,467	2,02,91,322
<b>Total</b>	<b>1,97,81,327</b>	<b>2,08,05,431</b>

6. Other Current Liabilities

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
<b>Other payables</b>		
Expense payable	1,46,92,181	75,09,028
Statutory Liabilities	8,01,967	11,09,775
Advance Received from Customers	3,19,256	50,581
	1,58,13,404	86,69,384
<b>Total</b>	<b>1,58,13,404</b>	<b>86,69,384</b>

7. Short-term provisions

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
<b>Provision for employee benefits</b>		
Bonus	22,18,662	20,00,726
Gratuity	16,10,630	5,30,602
Leave Encashment	6,58,917	4,19,118
	<b>44,88,209</b>	<b>29,50,445</b>





8. Fixed Assets

Sr.	Particulars	Gross Block		Accumulated Depreciation			Net Block			
		As at 01-04-2016	Additions	Adj. during the year	31-Mar-2017	As at 01-04-2016	Depre. charge for the year	Adj. during the year	31-Mar-2017	31-Mar-2017
		₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>a</b>	<b>Tangible Assets</b>									
	Freehold Land	95,27,08,833	-	-	95,27,08,833	-	-	-	95,27,08,833	95,27,08,833
	Lease hold Land	73,86,281	-	-	73,86,281	-	-	-	73,86,281	73,86,281
	Buildings	47,14,63,798	68,68,222	-	47,83,32,020	13,03,72,261	2,72,05,519	-	15,75,77,780	34,10,91,537
	Plant and Equipment	1,40,82,90,444	98,24,579	-	1,41,81,15,023	1,16,36,57,760	9,52,81,263	-	1,25,89,39,023	24,46,32,684
	Furniture and Fixtures	1,85,62,087	83,392	-	1,86,45,479	91,23,088	13,52,184	-	1,04,75,273	94,38,999
	Vehicles	95,23,496	8,56,676	-	1,03,80,172	72,75,859	8,17,009	-	80,92,867	22,47,637
	Office equipment	1,32,62,898	3,18,357	-	1,35,81,256	1,01,03,776	13,72,371	-	1,14,76,147	31,59,123
	Computers	51,45,636	2,60,997	-	54,06,634	50,45,514	53,131	-	50,98,645	1,00,122
	<b>Total</b>	<b>2,88,63,43,473</b>	<b>1,82,12,224</b>	<b>-</b>	<b>2,90,45,55,697</b>	<b>1,32,55,78,258</b>	<b>12,60,81,478</b>	<b>-</b>	<b>1,45,16,59,735</b>	<b>1,56,07,65,215</b>
<b>b</b>	<b>Intangible Assets</b>									
	Computer software	9,31,556	-	-	9,31,556	8,81,906	10,866	-	8,92,772	49,650
	Goodwill on consolidation	22,99,75,215	-	-	22,99,75,215	-	-	-	-	22,99,75,215
	<b>Total</b>	<b>23,09,06,771</b>	<b>-</b>	<b>-</b>	<b>23,09,06,771</b>	<b>8,81,906</b>	<b>10,866</b>	<b>-</b>	<b>8,92,772</b>	<b>23,00,24,864</b>
<b>c</b>	<b>Capital work-in-progress</b>	<b>3,11,72,50,244</b>	<b>1,82,12,224</b>	<b>-</b>	<b>3,13,54,62,468</b>	<b>1,32,64,60,164</b>	<b>12,60,92,343</b>	<b>-</b>	<b>1,45,25,52,507</b>	<b>1,79,07,90,080</b>
	Capital work-in-progress	28,57,989	3,05,80,016	1,09,05,876	2,25,32,128	-	-	-	-	28,57,989
	<b>Current Year Total</b>	<b>3,12,01,08,233</b>	<b>4,87,92,240</b>	<b>1,09,05,876</b>	<b>3,15,79,94,597</b>	<b>1,32,64,60,164</b>	<b>12,60,92,343</b>	<b>-</b>	<b>1,45,25,52,507</b>	<b>1,79,36,48,068</b>
	<b>Previous Year Total</b>	<b>2,86,52,62,836</b>	<b>26,68,08,873</b>	<b>1,19,63,476</b>	<b>3,12,01,08,233</b>	<b>1,19,41,96,676</b>	<b>13,30,55,221</b>	<b>7,91,733</b>	<b>1,32,64,60,164</b>	<b>1,66,71,38,744</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	31-Mar-2017 ₹	31-Mar-2016 ₹
<b>Investment in Equity instruments - Unquoted</b>		
Investment in Equity instruments	59,37,930	59,32,930
Investments in Government or Trust securities	6,08,239	6,08,239
Investments in Equity of Joint Venture Company	25,00,50,000	25,00,50,000
Total	25,65,96,169	25,65,91,169
Less:		
Provision for diminution in the value of Investments	25,46,50,000	25,46,50,000
Total	19,46,169	19,41,169

**A Details of Other Investments - Unquoted**

Sr. Name of the Body Corporate	No. of Shares		Amount (₹)	
	2016-17	2015-16	2016-17	2015-16
<b>a. Investment in Equity Instruments</b>				
ACCURATE EXPORTS LTD. of ₹ 10 each	1,00,000	1,00,000	10,00,000	10,00,000
FICON LEASE & FINANCE LTD. of ₹ 10 each	3,50,000	3,50,000	35,00,000	35,00,000
HYTAISUN MAGNETICS LTD. of ₹ 10 each	10,000	10,000	1,00,000	1,00,000
Reliance Natural Resources Ltd.	20	20	38	38
Reliance Industries Ltd.	162	162	2,792	2,792
Reliance Energy Ltd.	6	6	392	392
Reliance Communications Ltd	81	81	2,078	2,078
Reliance Capital Ltd.	4	4	70	70
Punjab Fibers Ltd.	100	100	30,000	30,000
Hytai sun Magnetics Ltd.	1,300	1,300	1,30,000	1,30,000
Powerflow Ltd.	200	200	5,000	5,000
Meltron Semiconductor Ltd.	100	100	9,500	9,500
	4,61,973	4,61,973	47,79,870	47,79,870
Less:				
Provision for diminution in the value of Investments	4,61,973	4,61,973	46,00,000	46,00,000
	-	-	1,79,870.00	1,79,870.00
AHMEDABAD COMMODITY EXCHANGE LTD of ₹ 10 each	56,500	56,500	11,53,000	11,53,000
KALUPUR COMM.CO.OP.BANK of ₹ 10 each	6	6	60	60
Joint Venture Investments	2,59,374	2,58,874	1,87,15,354	1,87,10,354
AWN AGRO PVT. LTD. of ₹ 10 each	2,50,05,000	2,50,05,000	25,00,50,000	25,00,50,000
	2,50,61,506	2,50,61,506	25,13,82,930	25,13,82,930
Less:				
Provision for diminution in the value of Investments	2,50,05,000	2,50,05,000	25,00,50,000	25,00,50,000
Sub-Total	56,506	56,506	13,32,930	13,32,930
<b>b Investments in Government or Trust securities</b>				
NATIONAL SAVINGS CERTIFICATE			6,08,239	6,08,239
Total			6,08,239	6,08,239
<b>Grand Total</b>			<b>19,41,169</b>	<b>19,41,169</b>



**10. Long Term Loans and Advances**

**a Details of Long Term Loans and Advances**

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
<b>Security Deposits</b>		
Unsecured, considered goods	3,72,55,830	3,89,16,897
Capex Advance	19,50,750	-
Advance to employees	8,38,605	9,03,921
Balance with government authorities	82,01,917	61,87,748
Advance tax & TDS Receivable	2,17,86,994	1,39,23,305
Bank deposit with more than 12 months maturity	18,67,288	17,85,062
<b>Long term Loans and advances to related parties</b>		
Long term Loans and advances to related parties -doubtful Unsecured, considered doubtful	17,48,64,908	19,18,45,880
<b>Total</b>	<b>17,48,64,908</b>	<b>19,18,45,880</b>
Less: Provision for doubtful advances	17,48,64,908	19,18,45,880
	-	-
<b>Long-term Loans and advances to others</b>		
Long term Loans and advances to others Unsecured, considered goods	88,20,82,648	89,87,59,553
Long term Loans and advances to others -Doubtful	13,23,67,655	12,52,56,917
<b>Total</b>	<b>1,01,44,50,303</b>	<b>1,02,40,16,470</b>
Less: Provision for doubtful advances	13,23,67,655	12,52,56,917
Other loans and advances to others	88,20,82,648	89,87,59,553
<b>Total</b>	<b>95,39,84,032</b>	<b>96,04,76,486</b>

**11. Other Non-Current Assets**

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
<b>Trade receivables</b>		
Unsecured, considered good	3,84,72,687	3,87,73,664
Unsecured, considered good doubtful	35,67,98,715	35,67,98,715
	<b>35,67,98,715</b>	<b>35,67,98,715</b>
Less: Provision for doubtful debts	35,67,98,715	35,67,98,715
	-	-
<b>Total</b>	<b>3,84,72,687</b>	<b>3,87,73,664</b>

**12. Inventories (As taken valued and Certified by Management)**

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
Traded Material	2,97,13,932	4,12,53,284
Spare Parts	3,99,55,565	1,67,95,304
Chemical Goods	1,02,70,388	91,54,649
<b>Total</b>	<b>7,99,39,884</b>	<b>6,72,03,237</b>



### 13. Trade Receivable

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
Outstanding for a period less than six months from the date they are due		
Unsecured, considered good Trade Receivable	27,48,46,049	24,65,82,782
	27,48,46,049	24,65,82,782
Outstanding for a period exceeding six months from the date they are due		
Unsecured, considered good Trade Receivable	5,12,19,558	7,78,12,566
	5,12,19,558	7,78,12,566
<b>Total</b>	<b>32,60,65,607</b>	<b>32,43,95,348</b>

### 14. Cash and Bank Balance

#### Cash and cash Equivalent

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
Balances with banks	58,72,957	55,66,102
Cash on hand	9,61,877	28,23,161
<b>Total</b>	<b>68,34,834</b>	<b>83,89,264</b>

#### Other Cash Balance

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
Bank deposits upto 12 months maturity	41,98,784	40,21,974
<b>Total</b>	<b>41,98,784</b>	<b>40,21,974</b>

### 15. Short-term loans and advances

Particulars	31-Mar-2017 ₹	31-Mar-2016 ₹
Prepaid expense	24,54,359	16,68,436
Accrued Interest	20,76,977	-
Balance with government authorities.	-	-
Advance tax & tds	-	-
<b>Short Term Loans and advances to others</b>		
Unsecured, considered good	1,54,24,958	67,03,512
<b>Total</b>	<b>1,54,24,958</b>	<b>67,03,512</b>
<b>Total</b>	<b>1,99,56,294</b>	<b>83,71,948</b>



**16. Revenue**

Particulars	For the Year ended on 31-Mar-2017 ₹	For the Year ended on 31-Mar-2016 ₹
<b>Sale of products</b>		
Traded Goods Domestic	54,63,00,644	49,79,67,100
Traded Goods Export	-	3,47,24,640
	<b>54,63,00,644</b>	<b>53,26,91,740</b>
<b>Operating Revenue</b>		
Sale of Services	17,20,40,592	15,73,69,811
Commission income	7,696	3,83,625
	<b>71,83,48,932</b>	<b>69,04,45,176</b>
Crushing Charges (TDS ₹73.50 (P.Y.₹70.11)Lacs)	36,22,23,743	35,32,10,079
Total	<b>36,22,23,743</b>	<b>35,32,10,079</b>
<b>Total</b>	<b>1,08,05,72,675</b>	<b>1,04,36,55,255</b>

Particulars	For the Year ended on 31-Mar-2017 ₹	For the Year ended on 31-Mar-2016 ₹
<b>Traded Goods Export</b>		
Edible Oil	-	-
Non-Edible Oil	-	3,47,24,640
Total (A)	-	<b>3,47,24,640</b>
<b>Traded Goods Domestic</b>		
Edible Oil	21,15,82,404	11,00,22,342
Non-Edible Oil	33,27,17,957	35,36,09,959
Others	20,00,283	3,43,34,799
Total (B)	<b>54,63,00,644</b>	<b>49,79,67,100</b>
<b>Total(A+B)</b>	<b>54,63,00,644</b>	<b>53,26,91,740</b>

**17. Other Income**

Particulars	For the Year ended on 31-Mar-2017 ₹	For the Year ended on 31-Mar-2016 ₹
Interest Income (TDS ₹2.78(P.Y.₹.2.29)Lacs)	37,07,977	30,06,935
<b>Other non Operating Revenue</b>		
Long term capital gain	-	1,74,500
Misc. Income	1,24,55,065	29,53,389
Scrap Sales	15,82,530	-
Foreign Exchange fluctuation	-	6,32,811
Office Rent	11,39,900	5,25,000
<b>Total</b>	<b>1,88,85,472</b>	<b>72,92,635</b>



**18. Purchase of Trading Goods**

Particulars	For the Year ended on 31-Mar-2017 ₹	For the Year ended on 31-Mar-2016 ₹
Purchase of Goods	50,82,92,460	51,64,78,956
Other direct purchase costs	42,02,770	33,23,943
<b>Cost of Goods sold</b>	<b>51,24,95,230</b>	<b>51,98,02,899</b>
<b>Traded Goods</b>		
Edible Oil	20,73,31,845	10,85,15,881
Non-Edible Oil	29,63,02,623	40,87,96,459
Others	88,60,763	24,90,560
Total	51,24,95,230	51,98,02,899
<b>Total</b>	<b>51,24,95,230</b>	<b>51,98,02,899</b>

**19. Change in Inventory**

Particulars	For the Year ended on 31-Mar-2017 ₹	For the Year ended on 31-Mar-2016 ₹
<b>Ricinolic Acid</b>		
Stock at the Beginning of the financial year	19,41,216	23,92,277
Stock at the End of the financial year	96,491	19,41,216
	18,44,725	4,51,061
<b>12HSA</b>		
Stock at the Beginning of the financial year	3,53,09,416	56,72,100
Stock at the End of the financial year	2,87,62,662	3,53,09,416
	65,46,754	(2,96,37,316)
<b>Glycerine</b>		
Stock at the Beginning of the financial year	8,51,500	10,32,150
Stock at the End of the financial year	8,52,150	8,51,500
	(650)	1,80,650
<b>Fly Ash</b>		
Stock at the Beginning of the financial year	1,152	13,932
Stock at the End of the financial year	2,628	1,152
	(1,476)	12,780
<b>Total</b>	<b>83,89,352</b>	<b>(2,89,92,825)</b>

**20. Employee Benefits Expense**

Employee Benefits Expense	For the Year ended on 31-Mar-2017 ₹	For the Year ended on 31-Mar-2016 ₹
Salaries and incentives	8,51,23,607	7,63,74,279
Contributions to Provident Fund, FPF and other Funds	34,95,334	30,94,334
Gratuity fund contributions	12,87,249	20,75,019
Leave Encashment expenses	9,19,609	10,91,534
Staff welfare expenses	75,56,571	63,89,017
<b>Total</b>	<b>9,83,82,372</b>	<b>8,90,24,183</b>



## 21. Finance Cost

Particulars	For the Year ended on 31-Mar-2017 ₹	For the Year ended on 31-Mar-2016 ₹
Interest expense	5,026	1,50,213
Other borrowing costs	8,014	1,26,772
<b>Total</b>	<b>13,040</b>	<b>2,76,985</b>

## 22. Other Expenses

Particulars	For the Year ended on 31-Mar-2017 ₹	For the Year ended on 31-Mar-2016 ₹
<b>Manufacturing Expenses</b>		
Labour Charges	3,91,12,325	3,42,48,176
Loading-Unloading Expense	12,64,822	2,82,116
Power and Fuel	15,27,37,652	14,39,96,922
Vat Reversal	513	-
Repair to Plant and Machinery	82,91,529	23,95,418
Rates and taxes, excluding, taxes on income.	93,47,718	79,86,026
Consumption of Stores, Chemicals & Packing Materials	10,72,29,254	9,07,50,785
Other Manufacturing Expenses	11,72,684	1,46,021
<b>Total Manufacturing Expenses</b>	<b>31,91,56,496</b>	<b>27,98,05,463</b>
<b>Administrative Expenses</b>		
Loss on Sales of Fixed Assets	-	1,40,867
Telephone Expenses	5,73,120	5,66,276
Professional Fees	67,07,350	50,50,286
Auditors Remuneration*	1,99,500	2,87,640
Stationery and Printings	1,39,827	1,14,781
Travelling Expenses	15,20,544	30,21,365
Insurance	28,58,042	35,65,140
Provision for Doubtful Advances (Net)	6,13,679	2,52,67,009
Donation	7,500	-
Membership Fees	45,671	3,91,267
Repair and Maintenance - Others	14,07,601	22,37,619
Security Services	70,17,957	57,22,663
Vehicle Running-Repair Expense	2,47,15,413	2,37,22,749
Other Admin Expenses	40,97,555	44,20,163
Vehicle hire charges	3,29,27,216	2,53,41,655
Prior period expenses	67,942	36,91,138
<b>Total Administrative Expenses</b>	<b>8,28,98,918</b>	<b>10,35,40,619</b>
<b>Selling and Distribution Expenses</b>		
Transportation Expenses	1,51,87,798	1,32,72,808
Advertisement Expenses	5,341	42,203
Clearing Forwarding Expenses	-	4,73,836
<b>Total Selling and Distribution Expenses</b>	<b>1,51,93,139</b>	<b>1,37,88,846</b>
<b>Total Other Expenses</b>	<b>41,72,48,552</b>	<b>39,71,34,928</b>



22A. \*Auditors Remuneration Includes

Particulars	For the Year ended on 31-Mar-2017 ₹	For the Year ended on 31-Mar-2016 ₹
As auditors - Statutory audit	1,34,500	2,00,000
Tax Audit	50,000	50,000
Certification fees & Other Services	-	-
Reimbursement of Expenses	-	-
<b>Total</b>	<b>1,84,500</b>	<b>2,50,000</b>

23. Other details to Balance Sheet

**A Contingent Liabilities and Commitments**

Particulars Contingent Liabilities	For the Year ended on 31-Mar-2017 (₹ In Lacs)	For the Year ended on 31-Mar-2016 (₹ In Lacs)
<b>a. Claims against the Group, not acknowledged as debts (including interest and penalty)</b>		
- Disputed Sales Tax Demand Matter under Appeal ( refer note 36)	5,554.43	5,554.43
- Other Claims (without considering interest liability)	1,333.31	1,333.31
- Disputed Income Tax Demand Matter under Appeal ( refer note 26 & 34)	13,373.44	21,501.39
- proceeding initiated by NSEL, Maharashtra Protection of Interest of Depositors (in financial establishments)-Act, and Directorate of Enforcement, Government of India ( refer note 32 & 33)	Amount not ascertainable	Amount not ascertainable

Note:

- 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.
- The Group 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.

24. In the schedule of fixed assets, land and building have been shown in the name of the Holding Company. However, total carrying amount of ₹ 18.86 lakhs as on 31.03.2017, the title of the property has not been conveyed in the name of the Holding Company till the date of our audit.

25. *The Holding Company was declared sick by Hon'ble Board for Industrial & Financial Reconstruction (BIFR) and had submitted rehabilitation scheme for consideration to the Operating Agency (OA). However, since SICA Act has been repealed with effect from 01.12.2016, as per the provisions of the SICA Repeal Act the Holding Company had to submit its application to National Company Law Tribunal (NCLT) within 6 months from the date of SICA repeal Act. Till date, the Holding Company is yet to Submit its Scheme to Hon'ble NCLT.*

26. *A Search & Seizure action U/S 132 of the Income Tax Act took place on 24.2.99 on Holding Company . The Income Tax department had raised demand of Rs. 33.12 Crores vide the block assessment Order dt. 30.4.2001. In case of Holding Company, the Income Tax Appellate Tribunal (ITAT), Ahmedabad has subsequently given partial relief to the extent of Rs. 28.84 Crores. The Holding Company had preferred as appeal before the Hon'ble High Court of Gujarat against the order of Hon'ble ITAT, Ahmedabad. Hon'ble Gujarat High Court vide its order dated 20th June,2016 had given partial relief on some of the grounds and had also dismissed some of the grounds of the Company. Against the grounds dismissed by Hon'ble High Court of Gujarat, the Holding Company had further preferred an appeal before Hon'ble Supreme Court of India, and the Hon'ble Supreme Court of India vide order dated 16th January,2017 had dismissed the appeal of the Holding Company. The Holding Company had provided an amount of Rs 2.88 Crore against the grounds dismissed by Hon'ble ITAT during F.Y 2002-03 as well as Rs 1.27 Crores was provided in the books of accounts for the Assessment year in question for the interest payable upto 31-03-2005 during F.Y 2004-05 However in view of the management of the Holding Company and on the basis of the Judgment of the Hon'ble Gujarat High Court, the amount provided/paid by the*





*Holding Company towards total demand shall result in refund to the Holding Company. Pending effect of Order by the Income Tax Department, no effect has been given by the Holding Company in the books of accounts for the year under review.*

27. No provision is made during the year for interest receivable on various advances amounting to ₹ 3001.21 Lacs (P.Y. ₹ 3001.21 lacs ) as the same are considered doubtful.
28. The Holding 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 Consolidated financial statements which states that the Consolidated accounts reflects accumulated losses of Rs 328.36 Crores as at 31.3.2017 and the net worth of the Consolidated accounts as well as Holding Company and Subsidiary Companies is negative . As informed by the management of the Holding Company, the Holding 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 provision for the impairment has not been provided for and accounts for the year have been prepared on " going concern basis."* Similarly, on the basis of the Certificate received from the respective auditors of the subsidiary Company, the efforts made by the management, said subsidiary companies are also making sincere efforts to revive the business and the management of the said Subsidiary companies are confident to recover the losses through improved profitability in foreseeable future. Therefore no provision for the impairment has been made in the books of subsidiary Company & consolidated accounts and accounts of the subsidiary Company for the year have been prepared on " going concern basis."
30. *On the basis of certificate received from the Management of Holding Company, the holding Company does not have any control on its Joint Venture "AWN AGRO PRIVATE LIMITED" and hence the accounts of the said Joint Venture has not been consolidated.*
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 Holding Company had entered into financial arrangement with National Spot Exchange Ltd (NSEL) through trading and Clearing Member, N.K.Proteins Private Ltd (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 of the Holding Company are subject to confirmations by the respective parties and reconciliations/adjustments, if any. Further, NSEL has suspended the trading on 31.07.2013 and has initiated recovery proceedings against the group Company NKPL and also against the Holding Company and the said proceedings are pending as on date. Further, the Home department, Government of Maharashtra has issued a notification under the Maharashtra Protection of Interest of Depositors (in financial establishments)-Act, 1999 (MPID Act) attaching the Land, Building & Plant & Machinery of the Company located at Kadi , Gujarat. The Holding Company had challenged the notification issued by Home department, Government of Maharashtra, before the Hon'ble High Court of Gujarat. The Hon'ble Gujarat High Court had disposed off the application of the Holding Company vide its order dated 29th March 2017. The Holding Company had preferred a Special Leave Petition before the Hon'ble Supreme Court of India .The Hon'ble Supreme Court of India had disposed off the Special Leave Petition on 17th April,2017 with a observation to file an application before Hon'ble Bombay High Court ,and as informed by the management,the Holding Company is in process of filing the said application. The matter is subjudice.*
33. The Directorate of Enforcement, Government of India has initiated proceedings against the Holding 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 Holding 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 Holding Company has preferred an appeal before the Hon'ble Appellate Tribunal under the Prevention of Money laundering Act, 2002. *The matter is subjudice.*
34. *Consolidated 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 Holding Company along with other group companies during FY 2013-14 and had ordered a special audit of the books of the Company u/s 142 2A of the IT Act, 1961, for AY2010-11, A.Y 2011-12, A.Y 2012-13 & A.Y 2013-14. The department had raised a demand of Rs 132 Crores ( Rs 6.63 Crores for A.Y 10-11, Rs57.07 crores for A.Y 11-12 , Rs 60.33 Crores for A.Y 12-13 & Rs 7.97 Crores for A.Y 2013-14 ) on the holding Company for the aforesaid assessment years and the said demand has been disputed by the holding Company and the holding 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 consolidated accounts. Further ,Income tax department has passed an attachment order on 22.04.2015 & 14.08.15 by which it has attached properties of the holding Company in pursuant to a demand, the details of the properties attached which are in the name of holding 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.
  - Land, 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
  - Factory Building Situated at survey No 745, kadi Thol Road, Village Kadi Kasba , taluka- Kadi, District Mehsana-382715
34. a The Holding Company has received a notice from Income tax department for the attachment of its registered office at 7th Floor ,Popular house, opp sales india ,Ashram Road ,Ahmedabad 380009 with respect to demand raised by them as detailed in note 34 of the consolidated financial statements.
35. In case of one the Subsidiary Company viz. Banpal Oil Chem Pvt Ltd , 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 Factory Plant, Land, Building & Plant & Machinery of the Company located plot No. 144/64 of Chandisar Industrial Area.GIDC Mauje chandisar, Taluka-Palanpur, Dist- Banaskantha, Gujarat.As explained to us, The said Subsidiary Company has filed its detailed response to such attachment notice before the Adjudicating authority (PMLA) New Delhi and matter is subjudice as on date
36. Sales Tax Department has completed the assessment for various assessment years and raised demand of ₹ 5554.43 lacs for the earlier years. The Holding Company has not made any provision for the above demand raised by the sales tax authority in view of the fact that that the said Holding Company has preferred an appeal before the Appellate Authority. In view of the fact that the Holding Company has challenged the assessment procedures, the said amount has been shown as contingent liability under Note No. 23 of the notes forming part of Consolidated Financial Statements.
- In one the Subsidiary Company viz. Banpal Oil Chem Pvt Ltd , 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, and by virtue of the provisional attachment order dated 27.08.2014, attached the assets of the subsidiary Company comprising of Factory Plant, Land, Building & Plant & Machinery of the Company located at plot No. 144/64,65,66 of Chandisar Industrial Area.GIDC Mauje chandisar, Taluka-Palanpur, Dist- Banaskantha, Gujarat. As explained to us, The said Subsidiary Company has preferred an appeal before the Hon'ble Appellate Tribunal under the Prevention of Money laundering Act, 2002.
37. NSEL has initiated recovery proceedings against the group Company N.K.Proteins Private Ltd and has made the Subsidiary Company viz. N.K.Oil Mills Pvt Ltd a party to the said proceedings and these proceeding are pending as on date.
- In case of one the Subsidiary Company viz. Banpal Oil Chem Pvt Ltd , Income tax department has passed an attachment order on 20.05.2016 by which it has attached properties of the subsidiary Company in pursuant to a demand, the details of the properties attached which are in the name of subsidiary Company and the details of which are as under:
- Plot of land bearing Plot No 144/64,of Chandisar Industrial Area.GIDC Mauje chandisar, Taluka-Palanpur, Dist-Banaskantha,
  - Plot of land bearing Plot No 144/65,of Chandisar Industrial Area.GIDC Mauje chandisar, Taluka-Palanpur, Dist-Banaskantha,
  - Plot of land bearing Plot No 144/66,of Chandisar Industrial Area.GIDC Mauje chandisar, Taluka-Palanpur, Dist-Banaskantha,
- In view of the fact that the Holding Company has challenged the assessment proceedings, the said amount has been shown as contingent liability under Note No. 23 of the notes forming part of Consolidated Financial Statements

### 38. Other Informations - Profit and Loss Statement

#### a Earnings per share

Particulars		For the Year ended on 31-Mar-2017 (₹ In Lacs)	For the Year ended on 31-Mar-2016 (₹ In Lacs)
Contingent Liabilities			
<b>Basic</b>			
Profit attributable to equity shareholders	₹	(6,28,38,560)	(4,33,47,373)
Nominal Value of equity share	₹	10	10
Weighted average number of ordinary equity shares for Basic EPS	No.	60,09,900	60,09,900
<b>Basic and Diluted EPS</b>	₹	<b>(10.46)</b>	<b>(7.21)</b>



**b Details of Prior period Items**

Particulars Contingent Liabilities	For the Year ended on 31-Mar-2017 (₹ In Lacs)	For the Year ended on 31-Mar-2016 (₹ In Lacs)
Consultancy Charges	17,175	-
Interest Income	-	(16,74,727)
Member Ship Fees	-	3,02,184
Electric Expenses	5,727	-
Repair & Maintance Plant & Machinery	-	1,34,143
Freight	-	64,000
<b>Total</b>	<b>22,902</b>	<b>(11,74,400)</b>

**c Earnings in foreign currency**

Particulars Contingent Liabilities	For the Year ended on 31-Mar-2017 (₹ In Lacs)	For the Year ended on 31-Mar-2016 (₹ In Lacs)
FOB VALUE OF EXPORTS	-	3,47,24,640

**d Expenditure in foreign currency Nil (Prev. Year Nil)**

**39. Related party disclosures**

Note: Related Parties have been identified by the management

**A List of related parties**

<b>Key Managerial Personnel (KMP)</b>	
1	Nimish K. Patel Chairman & Managing Director
2	Nilesh K. Patel Managing Director
3	Hasmukh K. Patel (Whole Time Director)
4	Ashwinbhai Patel (Chief Finance Officer)
5	Akanksha Srivastava (Company Secretary ) w.e.f. 12th November, 2016
6	Heena P. Jain (Company Secretary ) resigned on 17th October, 2016
<b>Key Managerial Person( Ex -director one of Subsidiary Company)</b>	
1	Harjibhai Patel
2	Shri N.P.Bhatol
<b>Additional Directors</b>	
1	B.S.Yadav (w.e.f. 12th November, 2016)
<b>Independent Directors</b>	
1	Jaimin Virendra Modi
2	Bharat Jayantilal Patel
3	Mridu Sharma (w.e.f. from 11th August, 2016)
<b>Name of Relatives of KMP/Directors</b>	
1	Nimish K. Patel Mrs. Sonalben N. Patel Mrs. Venushree N. Patel Mr. Amar Dhaduk Ms. Vedanshee N. Patel
2	Nilesh K. Patel Mrs.Ashitaben Patel Mr.Priyam Patel Mrs. Panna P. Patel Mrs.Priyanshi Patel Mr. Deep Vadodaria
3	Kamlesh L. Patel Mrs. Truptiben K. Patel



Firm/LLP in which directors/manager/his relative is a partner	
1	NKPL Realty LLP
2	NKP Enterprise LLP
3	Nimish K. Patel HUF
4	Nilesh K. Patel HUF
Private Company in which director/member or his relative is a member/director	
1	N K Proteins Private Limited
2	Tirupati Proteins Private Limited
3	Tirupati Retail (India) Private Limited
4	Adrenal Advertising and Promotions Private Limited

**B Details of transactions with related party** (₹ in lacs)

Sr	Name of party	Nature of Transaction	2016-17	2015-16
1	Ashwin P. Patel	Remuneration	6.00	6.00
2	Adrenal Advertismnt Pvt Ltd	Purchases/ Services	0.08	0.21
3	N K Proteins Pvt. Ltd.	Purchases/ Services	7,785.13	5,555.85
4	N.K.P Enterprise LLP	Purchases/ Services	9.58	1.69
5	N.K.P Enterprise	Purchases/ Services	-	10.94
6	N K Proteins Pvt. Ltd.	Sales/Jobwork charges	4,816.60	5,858.14
7	Nilesh K. Patel	Remuneration	60.00	51.61
8	Nimish K. Patel	Remuneration	60.00	51.61
9	Hasmukhbhai Patel	Whole Time Director	5.97	5.97
10	Monica Surjani	CS Remuneration	-	1.34
11	Heena Jain	CS Remuneration	1.11	0.61
12	Akanksha Srivastava	CS Remuneration	0.97	-
13	Harjibhai Patel	Remuneration	-	1.34
14	Shri N.P.Bhatol	Repayment of Loan	-	19.35
15	Shri Vijay Trading Co	Security Deposit	-	16.86
16	Bhagwati Oil Mill	Job work	-	0.28
17	Vijay HarjiBhai Patel	Repayment of Loan	-	8.37

**C Details of Closing Balances - Receivable/(Payable)**

Sr	Name of party	31-Mar-2017	31-Mar-2016
1	N.K.P Enterprise LLP	1.40	-
4	N K Proteins Pvt. Ltd.	3,184.74	3,127.70

40. During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

	Specified Bank Notes i.e. Rs. 1000 & 500 Denomination	Other Denomination Notes i.e. Rs. 100,50,10 Denomination	Total
Closing Cash on hand 08-11-2016	18,39,500	3,18,747	21,58,247
Permitted Receipts	-	66,13,906	66,13,906
Permitted Payments	1,99,500	54,66,275	56,65,775
Amount Deposited in Bank	16,40,000	-	16,40,000
Closing Cash on hand 31-12-2016	-	14,66,378	14,66,378

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.



41. The balance confirmation from the suppliers, customers as well as to various loans or advances given have been called for of the Holding Company , but the same are awaited till date. In view of the non-availability of the same, the balances of receivables, trade payables as well as loans and advances have been taken as per the books of accounts submitted by the Holding Company and are subject to confirmation.

42. No provision for Deferred Tax Assets has been made by the Holding Company as there is no virtual certainty of setting the same in near future.

**43. Previous years comparatives**

The Previous year's figures are regrouped and rearranged where ever necessary to make them comparable with the current years figures

**44. Micro, Small & Medium Enterprises**

As per the Micro, Small & Medium Development Act, 2006 and to the extent of the information available, amounts unpaid as at the year end together with the interest paid / payable, is as follows:

Particulars	2016-17	2015-16
The Principal Amount	6,48,860	5,14,109
Interest Paid under MSMED Act, 2006	NIL	NIL
Interest due (Other than 23.3 (b))	NIL	NIL
Interest accrued and unpaid	NIL	NIL
Interest due and payable till actual payment	NIL	NIL

**45. STATEMENT OF NET ASSETS AND PROFIT OR LOSS ATTRIBUTABLE TO OWNERS AND MINORITY INTEREST**

Name of the Entity % holding	Net Assets i.e total assets minus total liabilities		Share in profit or loss	
	% of Consolidated Net Assets	Amount	As % of consolidated profit and loss	Amount
NK Industries limited	93.21%	-3,20,24,31,388	96.82%	-6,08,39,401
<b>Indian Subsidiaries</b>				
Banpal Oil chem Private limited 100%	2.45%	-8,41,13,265	3.03%	-19,03,127
NK Oil Mills Pvt Limited 100%	4.34%	-14,91,02,390	0.15%	-96,032
<b>Minority interest- Nil</b>				
<b>Total</b>	<b>100</b>	<b>-3,43,56,47,042</b>	<b>100</b>	<b>-6,28,38,560</b>
Less : Adjustment arising out of consolidation		-21,24,17,920		0
<b>Consolidated Net Assets / Profit after tax</b>		<b>-3,22,32,29,123</b>		<b>-6,28,38,560</b>

As per our report of even date attached.

For, **PARIKH & MAJMUDAR**  
Chartered Accountants  
Firm's Registration Number:107525W

**CA DR HITEN PARIKH**  
Partner  
Membership No.040230  
Ahmedabad  
08th May,2017

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

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

**Ashwin P. Patel**  
Chief Financial Officer

Ahmedabad  
08th May,2017

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

**Akanksha Srivastava**  
Company Secretary





Resolution No.	Resolution
<b>Ordinary Business</b>	
1.	To receive and adopt Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2017 together with the Reports of the Board of Directors and Auditors thereon.
2.	To appoint a Director in place of Mr. Nilesh K. Patel (DIN: 00244115), 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. 29 <sup>th</sup> AGM till the conclusion of the 30 <sup>th</sup> Annual General Meeting and to fix their remuneration.
<b>Special Business</b>	
4	To pass Ordinary Resolution approving appointment and payment of remuneration to M/s. N D Birla & Co., Cost Accountants for the year 2017-18.
5	To pass Ordinary Resolution for approving related party transactions of the Company under Section 188 of the Companies Act, 2013.
6	To pass Ordinary Resolution for appointment of Mr. Bhawani Singh Yadav (DIN: 00944269) as an Independent Director of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

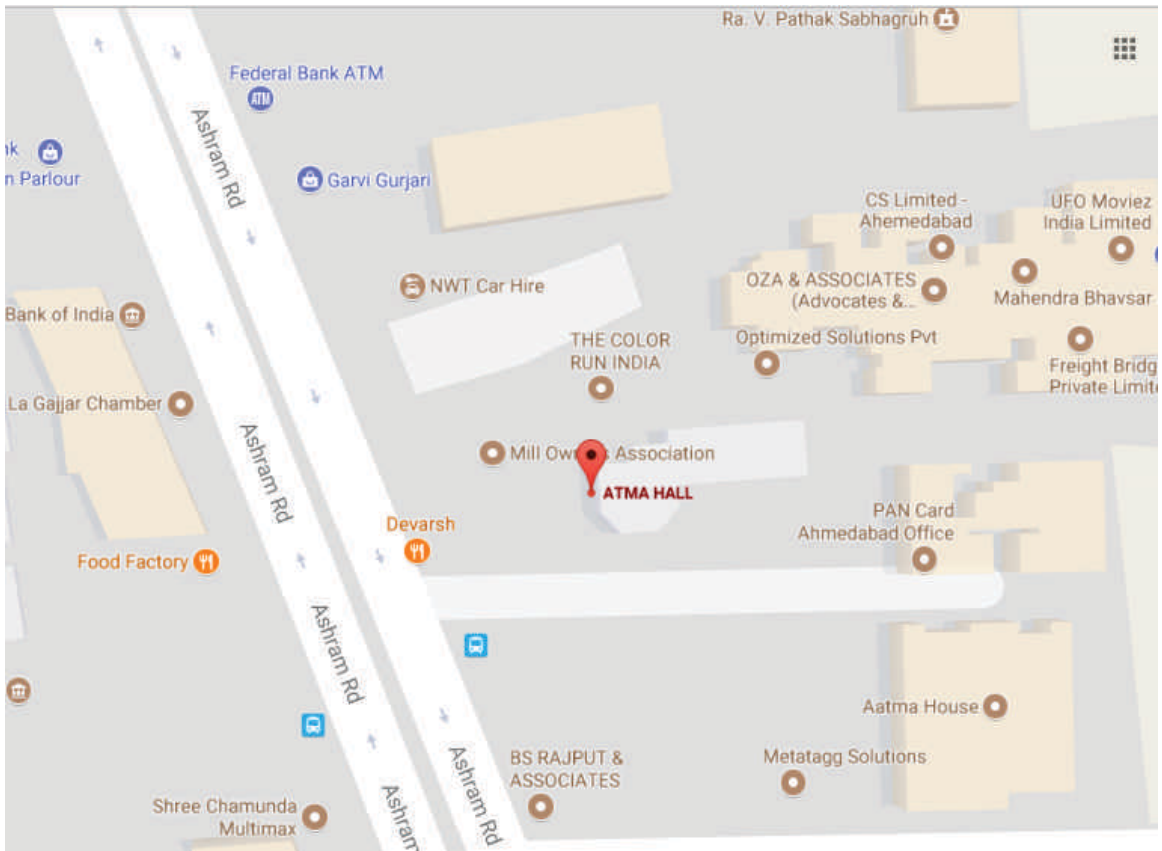
Signature of shareholder : \_\_\_\_\_

Signature of Proxy holder(s) : \_\_\_\_\_

<b>Affix Revenue Stamp</b>
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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.

## ROUTE MAP FOR AGM VENUE



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.





# **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