



Nobody Understands Castor Oil Like Us...



**N. K.
Industries Ltd.**

27th
ANNUAL REPORT
2 0 1 4 - 2 0 1 5



27TH ANNUAL REPORT-2014-15

CIN L91110GJ1987PLC009905

BOARD OF DIRECTORS:

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

AUDITORS

M/s Parikh & Majmudar,
Chartered Accountants,
Ahmedabad

REGISTERED OFFICE

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

FACTORY

745, Kadi-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 Vysya Bank Limited

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.

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NOTICE

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

ORDINARY BUSINESS:

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

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

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

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

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

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

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

By Order of the Board of Directors

Date : 8th July, 2015

Place : Ahmedabad

Registered Office:

7th Floor, Popular House,

Ashram Road, Ahmedabad – 380 009

L91110GJ1987PLC009905

Email: nkil@nkproteins.com

Sd/-

Nimish K. Patel

Chairman & Managing Director

DIN :00240621



NOTES:

1. **A member entitled to attend and vote in the meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing the Proxy must be received by the Company at its registered office not less than forty-eight hours before the commencement of the meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

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

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

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

- i) The voting period begins on 23rd September, 2015 at 9.00 a.m. IST and ends on 25th September, 2015 at 5.00 p.m. IST. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date 19th September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- 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 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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.
Date of Birth	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the Date of Birth or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).



- viii) After entering these details appropriately, click on “SUBMIT” tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page.
- xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Note for Non – Individual Shareholders and Custodians:
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

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

In respect of Item No. 4:

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

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

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

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

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

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



In respect of Item No. 5:

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

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

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

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

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

In respect of Item No. 6:

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

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

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

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

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

In respect of Item No. 7:

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

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

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

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

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

In respect of Item No. 8:

Approval for entering into Related Party Transactions by the Company

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

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

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

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

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



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

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

In respect of Item No. 9:

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

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

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

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

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

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

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

By Order of the Board of Directors

Date : 8th July, 2015

Place : Ahmedabad

Sd/-

Nimish K. Patel

Chairman & Managing Director

DIN:00240621

Details of Directors seeking Re-appointment at Annual General Meeting

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



DIRECTORS' REPORT

Dear Members,

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

OVERVIEW OF THE ECONOMY

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

FINANCIAL RESULTS

(₹ in Lacs)

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

OPERATIONS

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

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

SUBSIDIARY COMPANIES

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

SHARE CAPITAL

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

DIVIDEND AND RESERVES

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

FIXED DEPOSITS:

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

BOARD DIVERSITY

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



DIRECTORS:

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

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

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

DECLARATION BY INDEPENDENT DIRECTORS

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

BOARD EVALUATION

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

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

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

COMMITTEES ON BOARD

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

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