



**N. K.
Industries Ltd.**

Nobody Understands Castor Oil Like Us...

28th
ANNUAL REPORT
2015 - 2016





28TH ANNUAL REPORT-2015-2016

CIN L91110GJ1987PLC009905

BOARD OF DIRECTORS:

Shri Nimish K. Patel DIN:00240621	Chairman & Managing Director
Shri Nilesh K. Patel DIN:00244115	Managing Director
Shri Hasmukh K. Patel DIN:06587284	Whole-Time Director
Shri Jaimin V. Modi DIN:00113689	Independent Director
Dr. Neha Modi DIN:07171193	Independent Director
Dr. Bharat J. Patel DIN:00944269	Independent Director

AUDITORS

M/s Parikh & Majmudar,
Chartered Accountants,
Ahmedabad

REGISTERED OFFICE

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

FACTORY

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

BANKERS

State Bank of India
HDFC Bank Limited
DENA Bank
Bank of Baroda
Axis Bank
The Vysya Bank Limited
ICICI Bank
Central Bank of India
Indusind Bank
The Kalupur Commercial Co-Operative 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.

CONTENTS	PAGE
Notice	02
Directors' Report	06
Management Discussion & Analysis	15
Independent Auditor's Report	28
Balance Sheet	34
Statement of Profit & Loss	35
Cash Flow Statement	36
Notes forming part of Financial Statements	37
Consolidated Independent Auditor's Report	56
Consolidated Balance Sheet	62
Consolidated Statement of Profit & Loss	63
Consolidated Cash Flow Statement	64
Consolidated Notes forming part of Financial Statements	65



NOTICE TO THE 28TH ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting (AGM) of the members of N. K. Industries Limited will be held on Saturday, the 30th day of July, 2016, at 4.00 p.m. at ATMA Hall, Ashram Road, Navrangpura, Ahmedabad- 380009 to transact the following business:

ORDINARY BUSINESS:

Item No. 1 - Adoption of financial statements

To receive consider and adopt the financial statements of the Company for the year ended March 31, 2016, including the Audited Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

Item No. 2 – Appointment of Director

To appoint a Director in place of Mr. Nimish K. Patel (DIN: 00240621) as a Director, who retires by rotation and being eligible has offered himself for re-appointment.

Item No. 3 – Appointment of Auditors

To ratify the appointment of Auditors of the Company and to fix their remuneration and to pass the following resolution, as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 139 of the Companies Act, 2013 and rules made thereunder and pursuant to the recommendation of the Audit Committee of the Board of Directors, the appointment of M/s. Parikh & Majmudar, Chartered Accountants be and is hereby ratified as Auditor of the Company to hold the office from the conclusion of this Annual General meeting i.e. 28th AGM till the conclusion of the 29th AGM (i.e. for the period of 1 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 2016-17

To approve the appointment and fix remuneration of Cost Auditor for the Financial year 2016-17 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 cost records of the Company for the financial year ending March 31, 2017, 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 are hereby authorized to do all 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 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 with the respective related parties and for the maximum amounts per annum, as mentioned herein below:

Nature of transaction as per 188 of the Companies Act, 2013	Name of Director/ KMP who is interested and nature of their relationship	Name of the related party	EstimatedSection Maximum Amount
Job Work Arrangement/Purchase /Sales of various goods	Mr. Nimish K Patel, Mr. Nilesh K. Patel, Dr. Bharat Patel, Directors of the Company are common directors in both the Companies.	N. K. Proteins Private Limited (formerly known as N.K. Protiens 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.”

By Order of the Board of Directors

Date : 21st May, 2016
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 Note No. 10.
3. Corporate members intending to send their authorized 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 23rd July, 2016 to Saturday, the 30th July, 2016, 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 Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide facility to the shareholders to 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 27th July, 2016 at 9.00 a.m. and ends on 29th July, 2016 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 23rd July, 2016, 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	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"> 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.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB 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 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 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 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.
- xviii. 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:

The Board on the recommendation of Audit Committee, has approved the appointment and remuneration of M/s. N.D. Birla & Co., the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2017. The remuneration is fixed at ₹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 March 31, 2017.

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. 4 of the Notice for approval by the members.

In respect of Item No. 5:

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 there in 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 related party.

The material related party transaction and its details are as under (in terms of Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014:-

1. Name of related party	M/s. N K Proteins Private Limited(Formerly Known as N K Proteins Limited)
2. Name of related Directors	i. Mr. Nimish K. Patel
	ii. Mr. Nilesh K. Patel
	iii. Dr. Bharat J. Patel
3. Nature of relationship	Same Group Company
4. Particulars of Contract	As per the terms and conditions of job work agreement entered into for a period commencing from 01/04/2016 to 31/03/2019
5. Maximum monetary limit of transactions	Rs. 200 Crores p.a.

The aforesaid agreement is entered on arm's length basis and all factors relevant to the contract has been considered by the Board. The Copy of the above mentioned existing agreement 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.

Apart from the above mentioned related party transactions there are no other material related party transactions entered into by the company in terms of provisions of Section 188 of the Companies Act, 2013

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 of their respective shareholding in both the Companies.

By Order of the Board of Directors

Date : 21st May, 2016
Place : Ahmedabad

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

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

As the Chairman of the Company, Mr. Nimish Keshavlal Patel is responsible for driving growth and differentiations across portfolio at N K Industries Limited.

As an entrepreneur, Mr. Nimish K. Patel has over three decades of experience in oil industry. He had won an award for excellent performance in export from Ministry of Commerce (MOC), Government of India (GOI), presented by Honorable President Shankar Dayal Sharma.

Further, Mr. Nimish Patel had also received the award for the "Second Highest Processor of castor seed Oilcake" for the year 2002-03 by the hands of Shri Rajnath Singh, Hon'ble Union Minister for Agriculture at Solvent Extractors Association (SEA) Award Function on 20th September 2003.

Following are the Companies (other than N K Industries Limited) in which Mr. Nimish K. Patel holds directorship and committee membership:

Directorship:

- N K Proteins Private Limited
- Banpal Oilchem Private Limited
- N K Oil Mills Private Limited

Member of Board Committee

- N K Industries Limited
Nomination and Remuneration Committee
- N K Proteins Private Limited
Corporate Social Responsibility Committee (CSR)



DIRECTORS' REPORT

To The Members,

We are delighted to present the report on our business and operations for the year ended March 31, 2016.

OVERVIEW OF THE ECONOMY

India is the biggest source of castor oil to the world market. It is by far the largest producer and exporter of castor oil, followed by China and Brazil. As the prices remained lower during the period, demand increased and as a result exports from the country increased. As per Solvent Extractors Association of India (SEA) data, during April-February 2015-16, India had exported 4,34,645 tones of castor oil as against 4,00,084 tones in corresponding period of 2014-15.

Castor oil and castor seeds are known for the volatility in their prices. Castor crop cultivators, castor oil derivatives producers, and consumers have a critical need to factor in this price volatility in their business modeling and planning.

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 manufactured on job work basis. The Company is also manufacturing other derivatives viz. 12 HSA and ricinonic acid etc. The Company has a capacity to crush over 27000 MT of castor seeds per month. It is currently operating with crushing capacity in excess of 18000 MT per month.

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

FINANCIAL RESULTS:

The Company's financial performance, for the year ended March 31, 2016:

(₹ In Lacs)

PARTICULARS	Standalone		Consolidated
	Year Ended 31.03.2016	Year Ended 31.03.2015	Year Ended 31.03.2016
Revenue from operations (Net)	8403.42	6709.82	10436.55
Other Income	67.18	86.02	84.68
Total Income	8470.61	6795.84	10521.23
Total Expenditure	7466.70	6825.13	9781.45
Profit / (Loss) before Tax & Depreciation	1003.91	(29.29)	739.79
Less : Depreciation	1245.25	2422.37	1330.55
Less: Provision for taxation	-	-	-
Profit/ (Loss) before interest & exceptional items	(241.34)	(2451.66)	(590.76)
Finance Cost	1.57	12.99	2.77
Profit/(Loss) before Exceptional Items	(242.91)	(2464.64)	(593.54)
(Add)/ Less: Exceptional Items	-	-	-
Profit/(Loss) before prior period items and tax	-	-	-
Deduct : Prior Period Adjustment (Taxation)	-	-	-
Profit/(Loss) before tax for the year	(242.91)	(2464.65)	(593.54)
Add/ (Less): Deferred Tax	-	-	54.38
Profit/Loss for the year	(242.91)	(2464.65)	(539.16)

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

REVENUES- STANDALONE

Our total income on a Standalone basis increased to ₹ 8470.61 lacs from ₹ 6795.84 lacs in the previous year at a growth rate of 24.64%. Net Loss for the year decreased by ₹ 2221.74 lacs from ₹ (2464.65) lacs in the previous year to ₹ (242.91) lacs in the current year.

REVENUES- CONSOLIDATION

As the Company has prepared its consolidated financial statement for the first year, therefore no previous year figures are available for comparison.

SUBSIDIARY/ JOINT VENTURE COMPANIES

At the beginning of the year the Company had one Joint Venture Company and it did not have any subsidiary. As on March, 2016, it has two domestic subsidiaries. The Board of Directors have reviewed the affairs of the subsidiaries. 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 form part of the Annual Report except consolidation of Joint Venture i.e. Awn Agro Private Limited. 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 subsidiaries and Joint Venture Company in the prescribed format **AOC-1** is appended as **"Annexure-A-1"** to the Board's report.

During the year, investments were made in the following subsidiaries:

1. M/s. Banpal Oilchem Private Limited
2. M/s. N K Oil Mills Private Limited

SHARE CAPITAL

The paid up Equity Share Capital of the Company as at March 31, 2016 stood at ₹ 6,00,99,000. During the year under review, the Company has neither issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2016, none of the Directors of the Company hold any instruments convertible into equity shares of the Company.

During the year under review the BSE and NSE had issued a notice of intimation dated 23rd March, 2016 for revoking the suspension in trading in the equity share of the company with effect from 31st March, 2016.

DIVIDEND AND RESERVES

Your Directors express their inability to recommend any dividend for the year 2015-16 owing to accumulated losses of the Company. As a result, 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, 2016. There were no unclaimed or unpaid deposits as on March 31, 2016.

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

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

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

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) of SEBI (LODR) Regulations, 2015, Management Discussion and Analysis is set out in the Annual Report as **"Annexure B"**.

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 as **"Annexure C"** 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. Nimish K. Patel (DIN_00240621) 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 Mr. Jayesh D. Thakkar resigned w.e.f 07/05/2015 and Mrs. Neha Modi was appointed as an Independent Woman Director w.e.f 23/05/2015 in casual vacancy caused by the resignation of Mr. Jayesh D. Thakkar.

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 follow:

Board Meetings held during the year 2015-16

Sr. No.	Date of Board Meeting
1	23/05/2015
2	08/07/2015
3	08/08/2015
4	07/11/2015
5	05/02/2016

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



N. K. Industries Ltd.

As per Schedule IV of the Companies Act, 2013, a separate meeting of Independent Directors was held on 7th March, 2016 at 11.30 A.M. at the registered office of the Company situated at Ahmedabad to discuss the agenda items as required under the Companies Act, 2013.

The names of members 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 2015-16
1.	Mr. Nimish K. Patel(Chairman and Managing Director)	4/5
2.	Mr. Nilesh K. Patel(Managing Director)	5/5
3.	Mr. Hasmukh K. Patel(Whole Time Director)	5/5
4.	Dr. Bharat J. Patel(Independent Director)	5/5
5.	Mr. Jaimin Modi(Independent Director)	5/5
6.	Ms. Neha Modi(Independent Director)	5/5

KEY MANAGERIAL PERSONNEL

During the year under review, the following changes took place in the post of Company Secretary (CS) as KMP

1	Ms. Heena P. Jain	Company Secretary & Compliance Officer	14/12/2015 (Appointed)
2	Ms. Monica Surjani	Company Secretary & Compliance Officer	21/11/2015 (Resigned)

NOMINATION AND REMUNERATION POLICY:

The Policy of the Company on Directors' 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 our website

We affirm that the remuneration paid to the Directors is as per the term 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 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 done by the 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.

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 (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 Companies Act, 2013, the Company has formulated policies on related party transactions. The policies, including the Vigil Mechanism Policy, are available on our website:- http://www.nkindustriesltd.com/Governance.html



Name of the Committee	Composition of the Committee	Highlights of duties, responsibilities and activities
Nomination and Remuneration Committee	Shri Jaimin Modi (Chairman) 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"> The committee oversees and administers executive compensation, operating under a written Charter adopted by our Board of Directors. 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. The nomination and remuneration committee has framed the nomination and remuneration policy. The said policy is available on the website of the Company http://www.nkindustriesltd.com/Governance.html
Stakeholders Relationship Committee	Shri Jaimin Modi (Chairman) 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 during the year have been resolved.
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 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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the year ending March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- 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.
- The annual accounts have been prepared on going concern basis;
- The Directors have laid down internal financial controls, which are adequate and are operating effectively.
- The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system are 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 26th AGM till the conclusion of 31st AGM subject to ratification at each AGM.

The Company has obtained from them 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:

- 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 and as the matter is still pending before the respective authorities.

Further the Home Department has issued a notification attaching the properties of the Company. However, the Company has challenged the said notification before the Hon'ble High Court of Gujarat and the matter is sub-judice.

- With respect to point no. 2 of qualified opinion of the 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.