



**N.K.  
Industries Ltd**

**FORM B**

**(Clause 31(a) of the Listing Agreement)**

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

1.	Name of the Company	N K INDUSTRIES LIMITED
2.	Annual Financial Statement for the year ended	31 <sup>st</sup> March, 2012
3.	Type of Audit Qualification	Qualified
4.	Frequency of qualification	<ol style="list-style-type: none"><li>1. Repetitive in respect of observation 'A' as stated in item no. 5 below from the financial year ended on 31<sup>st</sup> March, 2001</li><li>2. Repetitive in respect of observation 'B' as stated in item no. 5 below from the financial year ended on 31<sup>st</sup> March, 2001</li><li>3. Repetitive in respect of observation 'C' as stated in item no. 5 below from the financial year ended on 31<sup>st</sup> March, 2001</li></ol>
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the director's report:	<p><b>Observation:-</b></p> <p>A. Regarding the accounts of the Company prepared on going concern basis.</p> <p>Refer the explanation under the head "Auditors' Report" in the Director's Report at page no.5 of the Annual Report.</p> <p>B. Regarding non-provision of interest receivable on advances made, as the same is considered as doubtful.</p> <p>Refer Note no. 24(g) of the financial statement and explanation under the head "Auditors' Report" in the Director's Report at page no.5 of the Annual Report.</p>

Regd. Office : 7th Floor,  
popular House, Ashram Road,  
Ahmedabad - 380 009.  
India.

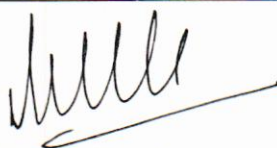


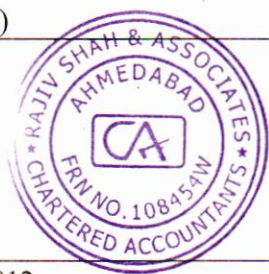
Phone : 91-79-66309999  
Fax : 91-79-26589214  
E-mail : nkil@icenet.co.in

Plant : 745, Kadi-Thor Road,  
Kadi - 382 715. Dist. Mehsana(N.G.)  
Tele : (02764) 242613, 263884  
Fax : (02764) 263667  
Email : nkilkadi@yahoo.co.in

CIN No. : L91110GJ1987PLC009905



# N.K. Industries Ltd

		<p>C. Regarding balances of trade creditors, trade debtors, advances and loans that are subject to confirmation</p> <p>Refer Note no. 24(i) of the financial statement and explanation under the head "Auditors' Report" in the Director's Report at page no.5 of the Annual Report.</p>
6.	Additional comments from the board/audit committee chair:	N.A
7.	To be signed by:-	
	<ul style="list-style-type: none"> <li>CEO/Managing Director</li> </ul>	 (Nilesh K. Patel)
	<ul style="list-style-type: none"> <li>CFO</li> </ul>	N.A
	<ul style="list-style-type: none"> <li>Audit Committee Chairman</li> </ul>	 (Jayesh D. Thakkar)
	<ul style="list-style-type: none"> <li>Auditor of the Company</li> </ul>	 

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

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

# 24<sup>th</sup> Annual Report

2011-2012

701-7<sup>th</sup> Floor, Popular House  
Ashram Road  
Ahmedabad-380 009

# **N. K. INDUSTRIES LIMITED**

## **24<sup>TH</sup> ANNUAL REPORT 2011-2012**

<b>BOARD OF DIRECTORS:</b>	NIMISH K.PATEL	Chairman & Managing Director
	NILESH K.PATEL	Managing Director
	ASHVIN P. PATEL	Whole Time Director
	JAYESH D. THAKKAR	Director
	BHARAT J. PATEL	Director
	MAITRAY D. PATEL	Director

**AUDITORS:** M/s RAJIV SHAH & ASSOCIATES.  
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:** BANK OF BARODA  
STATE BANK OF INDIA  
HDFC BANK LIMITED

## NOTICE

NOTICE is hereby given that the 24<sup>th</sup> Annual General Meeting of the members of **N. K. Industries Limited** will be held on Saturday, the 29<sup>th</sup> day of September, 2012, at 4.00 p.m. at the Registered office of the Company at 7<sup>th</sup> Floor, Popular House, Ashram Road, Ahmedabad-380 009 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2012 and Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint Maitray D Patel as a Director, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration. The retiring Auditors M/s Rajiv Shah & Associates, Chartered Accountants, Ahmedabad are eligible for reappointment.

### SPECIAL BUSINESS:

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

"RESOLVED THAT in view of Company's accumulated loss of Rs.14528.47 Lacs, having exceeded its networth of Rs.22100.75 Lacs as per duly audited annual accounts for the year 2011-12, the Company continues as a sick industrial undertaking within the meaning of Section 3 (1) of The Sick Industrial Companies (Special Provisions) Act, 1985.

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

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

RESOLVED THAT pursuant to the approval of the Board of Directors of the Company, to voluntary delisting of the Equity Shares of the Company from the The National Stock Exchange of India Limited, The Ahmedabad Stock Exchange Limited, Delhi Stock Exchange Limited and Madras Stock Exchange Limited, and further pursuant to regulation 5 of the Delisting Regulations and subject to the applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter), and receipt of the necessary approvals from the The National Stock Exchange of India Limited, The Ahmedabad Stock Exchange Limited, Delhi Stock Exchange Limited and Madras Stock Exchange Limited and such other authorities, regulatory or otherwise, as may be required and subject to such conditions and modifications, as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to

by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee of the Board or person authorized by the Board thereof for the time being exercising the powers conferred on the Board by this resolution), the voluntary delisting of the Equity Shares of the Company from the The National Stock Exchange of India Limited, The Ahmedabad Stock Exchange Limited, Delhi Stock Exchange Limited and Madras Stock Exchange Limited be and is hereby approved and the Company (which term shall be deemed to include any committee of the Board or person authorized by the Board thereof) shall take all necessary steps and make all necessary filings to facilitate such delisting in accordance with the conditions specified in the Delisting Regulations"

"RESOLVED FURTHER THAT for the purpose of giving effect to the voluntary delisting of the equity shares as described herein above, Mr. Nimish K. Patel, Chairman & Managing Director and/or Mr. Nilesh K. Patel, Managing Director of the Company be and are hereby authorized severally on behalf of the Company to do all such acts, deeds, matters and things as they may at their discretion deem necessary or desirable for such purpose, including making applications to the The National Stock Exchange of India Limited, The Ahmedabad Stock Exchange Limited, Delhi Stock Exchange Limited and Madras Stock Exchange Limited to seek their in-principle and final approval for the proposed voluntary delisting of the equity shares of the Company and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard as they may in their absolute discretion deem fit"

**Date: 30<sup>th</sup> May, 2012**  
**Place: Ahmedabad**

**By Order of the Board of Directors**

  
**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.
2. THE SHARE TRANSFER BOOKS AND REGISTER OF MEMBERS OF THE COMPANY WILL REMAIN CLOSED FROM THURSDAY, 20<sup>TH</sup> SEPTEMBER 2012 TO SATURDAY, 29<sup>TH</sup> SEPTEMBER 2012, BOTH DAYS INCLUSIVE.
3. MEMBERS ARE ADVISED TO AVAIL NOMINATION FACILITY AS WELL AS DEMATERIALIZATION FACILITY WITH THE COMPANY.
4. EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

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

The Company's net worth continues to be negative in view of losses accumulated at Rs. 14528.47 Lacs as at the end of the year ended 31<sup>st</sup> March 2012, and it is therefore necessary to make another reference to BIFR under provisions of Sick Industrial Companies (Special Provisions) Act, 1985.

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

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

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

The Promoters and Board of Directors have decided to delist the securities of the company from The National Stock Exchange of India Limited, The Ahmedabad Stock Exchange Limited, Delhi Stock Exchange Limited and Madras Stock Exchange Limited shall continue to be listed on the stock exchange having nationwide trading terminals viz. The Bombay Stock Exchange Limited and therefore as per the SEBI (Delisting of Equity Shares) Regulations, 2009, no exit opportunity need to be given to the existing shareholders of the Company.

Voluntary Delisting requires approval of Shareholders by special resolution passed in General Meeting, accordingly, the approval of the shareholders is sought for the aforesaid Special Resolution.

None of the Directors shall be deemed to be concerned or interested in the aforesaid resolution

Date: 30<sup>th</sup> May, 2012  
Place: Ahmedabad

By Order of the Board of Directors

  
Nimish K. Patel  
Chairman & Managing Director

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors present their 24<sup>th</sup> Report together with Audited Statements of Accounts of the Company for the year ended on 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS

(Rs. in Lacs)		
Particulars	2011-12	2010-11
Export Sales	Nil	Nil
Domestic Sales of Product	547073.08	213260.69
Total Sales	547073.08	213260.69
Job work Income	-	-
Profit/(Loss) before Tax & Depreciation	(7758.42)	(1055.20)
Deduct: Depreciation	203.39	183.80
Profit/(Loss) before Tax	(7961.81)	(1239.00)
Profit/(Loss) before prior period items and tax	(7961.81)	(1239.00)
Deduct: Current Income Tax	-	(4.00)
Deduct: Tax (Fringe Benefit Tax)	-	-
Deduct : Prior Period Adjustment	-	5.53
(Add)/ Less: Deferred Tax Income – Current year	(125.01)	(29.05)
Profit/(Loss) after Tax	(7836.80)	(1211.56)
Balance brought forward from previous year	(6691.66)	(5480.06)
Amount carried to Balance Sheet	(14528.47)	(6691.66)

### OPERATIONS

During the year, the company continued to sell manufactured goods on its own as against also the job work previously, as the main activity. The Company's sales turnover was increased to Rs. 545277.81 Lacs. After providing for depreciation of Rs. 203.39 lacs, there was loss in the current year amounting to Rs. 7961.81 Lacs as against Loss of Rs. 1239 Lacs in the last year.

As per the compromise settlements arrived at, the Company has paid off all the outstanding balances with all the banks.

### DIVIDEND

Your Directors express their inability to recommend any dividend for the year 2011-12 owing to accumulated losses incurred by the Company.



## **DIRECTORS:**

There were no changes in the Board of Directors of the Company during the year under review. Maitray D Patel shall retire by rotation in terms of the Articles of Association of the Company at the ensuing Annual General Meeting of the Company. He, however, being eligible, has offered himself for reappointment.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

## **CORPORATE GOVERNANCE**

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

## **AUDITORS' REPORT**

The observations made by the Auditors contain the explanations which are self-explanatory and therefore do not call for any further explanation under Section 217(3) of the Companies Act, 1956.

## **PARTICULARS OF EMPLOYEES**

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

## **AUDITORS**

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

## **PERSONNEL**

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

## **OTHER INFORMATION**

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

**Date: 30<sup>th</sup> May, 2012**

**Place: Ahmedabad**

**For or on behalf of the Board**



**Nimish K. Patel**

**Chairman & Managing Director**

## ANNEXURE

**ADDITIONAL PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED ON 31<sup>ST</sup> MARCH 2012.**

### **[A] CONSERVATION OF ENERGY:**

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

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

### **[B] TECHNOLOGY ABSORPTION:**

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

### **[C] FOREIGN EXCHANGE EARNING AND OUTGO:**

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

## **FORM-B (See Rule-2)**

### **FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION**

#### **Research & Development(R & D)**

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

#### **1. Technology absorption, adaptation and innovation**

##### **a. Efforts in brief made towards technology, absorption, adaptation and innovation:**

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

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

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

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

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

## ANNEXURE

### Report on Corporate Governance

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

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

#### 2. Board of Directors:

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

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

##### a. Composition and Category of Directors:

The detailed composition of the Board given below contains the constitution of the Board of the Company as on 31<sup>st</sup> March 2012 along with the category and the no. of directorship in companies:

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

Name (Designation)	Category of Directorship	Directorship (Including our Company)	**Committee Membership+ (Including Our Company)
Mr.Nimish K. Patel (Chairman & Managing Director)	Executive	5	Nil
Mr. Nilesh K. Patel (Managing Director)	Executive	3	1
Mr. Jayesh D. Thakkar (Independent Director)	Non Executive	1	3
Mr. Ashvin P. Patel (Whole Time Director)	Executive	1	1
Dr. Bharat J. Patel (Independent Director)	Non Executive	4	2
Mr. Maitray D. Patel (Independent Director)	Non-Executive	1	2

+ Membership includes Chairmanship

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

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

Name of Director	Maitray D Patel
Date of Birth	16/06/1964
Date of Appointment	07/05/2009
Expertise in specific functional areas	Administration and Corporate Strategy
List of Public Limited Companies in which Directorships held	N K Industries Limited.
Chairman/Member of the Committees of the Board of Directors of other Company	Audit Committee & Remuneration Committee
Chairman/Member of the Committees of Directors of other Companies	-

**c) Attendance:**

During the last financial year ended 31<sup>st</sup> March 2012, 11 Board Meetings were held on the following dates:

Sr. No.	Date of Board Meeting
1.	28 <sup>th</sup> April, 2011
2.	04 <sup>th</sup> May, 2011
3.	30 <sup>th</sup> May, 2011
4.	17 <sup>th</sup> June, 2011
5.	28 <sup>th</sup> July, 2011
6.	13 <sup>th</sup> August, 2011
7.	30 <sup>th</sup> September, 2011
8.	14 <sup>th</sup> November, 2011
9.	17 <sup>th</sup> December, 2011
10.	9 <sup>th</sup> January, 2012
11.	14 <sup>th</sup> February, 2012

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

Name of Director	Number of Board Meetings attended	Attendance at last AGM held on 30 <sup>th</sup> September, 2011
Mr. Nimish K. Patel	11	Present
Mr. Nilesh K. Patel	11	Present
Mr. Jayesh D. Thakkar	11	Present
Mr. Ashvin P. Patel	11	Present
Mr. Bharat J. Patel	11	Present
Mr. Maitray D. Patel	11	Present

**3. Audit Committee:**

### Terms of Reference

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

The Audit Committee was lastly reconstituted on 1<sup>st</sup> April, 2009.

**Composition and Attendance of Audit Committee is as under:**

Name of the Directors	Expertise	Functions of the Committee	Attendance
Mr. Jayesh D. Thakkar (Chairman)	All members are Non-executive and independent. Chairman is Independent Director and at least two third are independent. At least one member has thorough financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange(s), which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	All the members were present at the meetings held on 30-05-2011, 18-08-2011, 14-11-2011, & 14-02-2012
Mr. Maitray D. Patel			
Dr. Bharat J. Patel			

Name of Member	Category	Attendance
Mr. Jayesh D. Thakkar (Chairman)	Independent Director	4
Mr. Maitray D. Patel	Independent Director	4
Dr. Bharat J. Patel	Independent Director	4

#### 4. Remuneration Committee:

##### Terms of Reference

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

**Composition of the Remuneration Committee (w.e.f. 07-05-2009)**

Sr. No.	Name of Member
1.	Mr. Jayesh D. Thakkar (Chairman)
2.	Dr. Bharat J. Patel
3.	Mr. Maitray D. Patel

##### Details of Remuneration to the Executive Directors

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

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

## 5. Shareholders / Investors' Grievance Committee:

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

### The members of the committee as on 31<sup>st</sup> March, 2012 are:

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

The Company had received certain complaints from shareholders/investors and all of them have been responded / resolved by furnishing requisite information / documents. No investor complaints were pending as on 31<sup>st</sup> March 2012.

## 6. General Body Meetings:

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

Date	Venue	Time
30-09-2009	7 <sup>th</sup> Floor, Popular House, Ashram Road, Ahmedabad	10.00 A.M.
30-09-2010	7 <sup>th</sup> Floor, Popular House, Ashram Road, Ahmedabad	5.00 P.M.
30-09-2011	7 <sup>th</sup> Floor, Popular House, Ashram Road, Ahmedabad	4.00 P.M.

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

### Disclosures:

- a) The Company may have job work arrangements with its associate companies. The same may be done at market related price, comparable with one available in the Industry.
- b) The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last years.

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

## 7. Means of Communication

The Company in compliance with the listing agreement intimates unaudited as well as audited financial results as also shareholding pattern etc. to the Stock Exchanges after the Board approves them. Management Discussion and Analysis forms part of this Annual Report. The results, Annual report, shareholding pattern etc. is also filed through EDIFAR system from time to time.

## 8. Shareholder information:

### a. Annual General Meeting

Date : 29<sup>th</sup> September, 2012, Saturday  
Time : 4.00 p.m.  
Venue : 7<sup>th</sup> floor, Popular House, Ashram Road,  
Ahmedabad - 380009.

b. **Financial Calendar:** Financial year of the company is from 1<sup>st</sup> April to 31<sup>st</sup> March.

Adoption of Quarterly Results for the quarter ending:

June 30, 2012	Second week of August, 2012
September 30, 2012	Second week of Nov., 2012
December 31, 2012	Second week of Feb., 2013
March 31, 2013	Last week of May, 2013

c. **Book Closure Date:** Thursday, 20<sup>th</sup> September 2012 To Saturday, 29<sup>th</sup> September 2012 (both days inclusive)

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

e. **Listing on Stock Exchanges**

The equity shares of Company are listed on Stock Exchanges at Ahmedabad, Mumbai, Delhi, Chennai and National Stock Exchange. The company has paid the listing fees for the year 2012-13 to The Stock Exchange, Mumbai and upto the year 2006-07 to NSE and upto 2002-03 to other Stock Exchanges.

f. **Stock Code.**

NSDL & CDSL: ISIN No. is INE542C01019

BSE: 519494  
NSE: NKIND  
ASE: 40617

g. **Share Price Data**

The details of Stock Price Data during the period from 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2012 are submitted hereunder.

Month	BSE		
	High (Rs.)	Low (Rs.)	Shares Traded (No.)
April, 2011	81.30	69.00	61516
May, 2011	80.00	61.00	34324
June, 2011	71.90	56.00	53815
July, 2011	77.00	53.00	78897
August, 2011	80.00	60.05	76141
September, 2011	89.90	50.20	63905
October, 2011	87.95	55.20	81562
November, 2011	74.95	51.50	89315
December, 2011	73.90	57.50	78610
January, 2012	68.00	52.55	107799
February, 2012	68.00	52.00	128092
March, 2012	65.00	42.65	133004

h. **Share Transfer System:**

Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are otherwise found in order in all respects.



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

**i. Distribution of Shares:**

Distribution of shareholding as on 31<sup>st</sup> March 2012:

Number of Shares	Shareholder		Number of Shares	
	Number	%	Number	%
0 - 500	4788	92.08	628081	10.45
501 - 1000	195	3.75	162548	2.70
1001 - 2000	95	1.83	145839	2.43
2001 - 3000	28	0.54	70421	1.17
3001 - 4000	12	0.23	42210	0.70
4001 - 5000	15	0.29	71461	1.19
5001 - 10000	26	0.50	182009	3.03
10001 and above	41	0.78	4707331	78.33
<b>Total</b>	<b>5200</b>	<b>100</b>	<b>6009900</b>	<b>100</b>

**j. Shareholding Pattern:**

Shareholding Pattern as on 31<sup>st</sup> March, 2012 is as under:

	Category	No. of Shares Held	Percentage of Shareholding
<b>A.</b>	<b>PROMOTER'S HOLDING</b>		
1.	<b>Promoters</b>		
	-Indian Promoters	32,95,940	54.84
	-Foreign Promoters	--	--
2.	Persons acting in Concert	--	--
	Sub-Total	32,95,940	54.84
<b>B.</b>	<b>NON-PROMOTERS HOLDING</b>		
3.	<b>Institutional Investors</b>		
a.	Mutual Funds and UTI	--	--
b.	Banks, Financial Institution, Insurance Companies (Central/State Govt. Institutions/Non-Government Institutions)	1,300	0.02
c.	Foreign Institutional Investors	--	--
	Sub-Total	1,300	0.02
4.	<b>Others</b>		
a.	Private Corporate Bodies	3,63,603	6.05
b.	Indian Public	23,40,607	38.95
c.	NRIs/OCBs	8,450	0.14
d.	Any other (please specify)	--	--
	Sub-Total	27,12,660	45.14
	<b>GRAND TOTAL</b>	<b>60,09,900</b>	<b>100.00</b>

**k. Dematerialization of shares and liquidity:**

89.43% of the paid - up capital has been dematerialized as on 31<sup>st</sup> March 2012.

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

**l. Address for correspondence:**

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

Tele. No. : (022) 25963838

Fax No. : (022) 25946969

e-mail Address: [www.intimespectrum.com](http://www.intimespectrum.com)

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

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

Compliance Officer : Mr. Anant B. Patel

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

Date: 30<sup>th</sup> May, 2012

Place: Ahmedabad

For or on behalf of the Board



Nimish K. Patel

Chairman & Managing Director

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Industry Overview:**

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

### **Risk and Concerns:**

The company is exposed due to disparity resulting into pressure on margin. Moreover non-availability of funds from the banks due to sickness of the unit as well as repayment obligations to banks affects the quick turnaround. However, the management is aware of the said problems & therefore designed the system to address the same.

### **Internal Control System and their adequacy:**

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

### **Financial and Operational Performance:**

The income earned by the company was mainly from direct Sales. The operational Loss for the year was Rs.7961.59 (P.Y. Rs. 1240.61) lacs. The production of Castor Oil including job work was 4,99,87,320 M.T as against 14,67,28,159 M.T. for the previous year. The Company is however making its efforts to increase the production so as to utilise the installed capacity to the maximum.

### **Manpower:**

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

## AUDITORS' REPORT

### To The Members of N.K. Industries Limited.

1. We have audited the attached Balance Sheet of N.K. Industries Ltd., as at 31<sup>st</sup> March 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Statement on Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books
  - (iii) The Balance Sheet, Statement of Profit and Loss & Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss & Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except referred to in para (vi) below.
  - (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) a) *The accounts are prepared on the assumption of "Going Concern" though the net worth is negative and reference is made to BIFR.*  
b) *Attention is invited to Note No. (g) To Schedule 24 regarding non provision of interest receivable on various advances amounting to Rs1171.60 Lacs.*



- c) *Balances of Debtors, Creditors, Unsecured Loans and Advances are subject to confirmation.*
- (vii) Subject to above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012 and
- (b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date.
- (c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Place : Ahmedabad  
Dated : 30/05/2012

**FOR RAJIV SHAH & ASSOCIATES**  
**Chartered Accountants**

(FRNo.108454W)



*rajiv*  
**(RAJIV C SHAH)**  
**Partner**  
**M.No.: 043261**

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date on the accounts of N. K. Industries Limited for the year ended on 31<sup>st</sup> March 2012.

- (i) (a) *The Fixed Assets Register is not maintained by the company.*
  - (b) *The Fixed Assets are physically verified by the Management during the year but as there is no fixed asset register is maintained, therefore discrepancy, if any, could not be ascertained.*
  - (c) During the year substantial part of fixed assets have not been disposed off.
- (ii) (a) As explained to us, the inventory has been physically verified by the management at reasonable intervals. In our opinion the frequency of verification is reasonable.
  - (b) The procedure of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii) (a) The company has granted interest free unsecured loans to four companies covered in the register maintained under section 301 of the Companies Act, 1956. *The net worth of these companies is negative. We are unable to express our opinion on recoverability of the same.* The maximum amount involved during the year was Rs.966.07 lacs (P.Y.Rs. 798.09 lacs) and the year-end balance of such loan was Rs. 966.07 lacs (P.Y. Rs. 798.09 lacs). The company has not granted any loan to firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - (b) The loans are interest free loans and are considered doubtful of recovery.
  - (c) There is no stipulation for repayment of loan.
  - (d) There is no stipulation in respect of loans granted therefore the question of overdue amount does not arise.
  - (e) The company has not taken any loan from any company, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to information given to us, there an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. There is no continuing failure to correct major weaknesses in internal control system;
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.



(b) According to the information and explanations given to us, in respect of transactions referred to in section 301 of the Companies Act, 1956 made with the company or firm in pursuance of contracts or arrangements. We are unable to comment on prevailing market price in view of nature of commodity.

- (vi) The company has not accepted any deposit from any party throughout the year. Therefore, provisions of section 58A, 58AA or any other relevant provisions of Companies Act, 1956 and the rules made there under are not applicable.
- (vii) In our opinion, the company's internal audit system needs to be strengthened to make it commensurate with the size of the company and nature of its business.
- (viii) We have broadly reviewed books of account and records maintained by the company Pursuant to rules prescribed by Central Government under section 209 91)(d) of Companies Act, 1956 in respect of all its manufacturing activities. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.
- (ix) (a) According to the information and explanations given to us the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty and Cess were in arrears as at the end of the year, for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, there are no disputed dues which are not deposited of sales tax/income tax/wealth tax/service tax/custom duty/excise duty, or cess except stated below:

Name of the Statute	Nature of Dues	Amount (Rs.in Lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act	Corporate Tax	25.93 Lacs (upto 31/3/12)	Block Assessment from 1989 to 1999	Gujarat High Court
Income Tax Act	Corporate Tax	161.72 Lacs	A.Y.2006-2007	CIT Appeal
Income Tax Act	Corporate Tax	140.26 Lacs	A.Y.2007-2008	CIT Appeal
Guj. Sales Tax	Sales Tax	5423.55 (Net of payments)	F.Y. 1989-90, 90-91, 97-98 to 2001-02	Sales Tax Tribunal / Commercial Tax Officer

- (x) In our opinion, the accumulated losses of the company as on 31<sup>st</sup> March 2012 are more than the fifty percent of its net worth. It has incurred cash loss during the current financial year. There was also cash loss during the immediately preceding financial year.

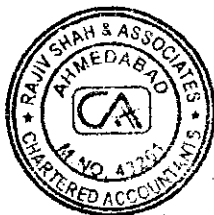


- (xi) In our opinion and according to the information and explanations given to us, the company had defaulted in repayment of term loan and working capital dues in previous year of M/s. Kotak Mahindra Bank Ltd. This is fully paid off at end of the year.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore provisions of clause (xiii) of the Order are not applicable to the company.
- (xiv) According to the information and explanations given to us the company is not dealing or trading in shares and securities. There are no such shares or securities held by the company.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not raised any new term loans during the year.
- (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion the short term fund raised are not utilized for acquiring fixed asset or long term investment or vice-a-versa.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) The company has not issued any debentures and therefore the creation of securities does not arise.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Place : Ahmedabad  
Dated : 30/05/2012

**FOR RAJIV SHAH & ASSOCIATES**  
**Chartered Accountants**

(FRNo.108454W)



*Rajiv*  
**(RAJIV C SHAH)**  
**Partner**  
**M.No.: 043261**



## **CERTIFICATE ON COMPLIANCE TO CORPORATE GOVERNANCE**

The Board of Directors  
N.K.Industries Ltd.,  
Ahmedabad.

We have examined the Compliance of the conditions of Corporate Governance by N.K.Industries Ltd. for the year ended 31<sup>st</sup> March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges in India.

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

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

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

Place : Ahmedabad  
Dated : 30/05/2012

**FOR RAJIV SHAH & ASSOCIATES**  
**Chartered Accountants**

(F.R.No. 108454W)



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

# N.K.Industries Ltd.

## Balance Sheet As on 31 Mar 2012

Rs.in Lacs

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
<b>I. EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' funds</b>		
(a) Share capital	600.99	600.99
(b) Reserves and surplus	7,572.28	(4,038.06)
	8,173.27	(3,437.07)
<b>2 Non-current liabilities</b>		
(a) Long-term borrowings	3.74	8.42
(b) Deferred tax liabilities (Net)	-	125.01
(d) Long-term provisions	207.57	221.29
	211.31	354.73
<b>3 Current liabilities</b>		
(a) Trade payables	98,187.64	59,422.92
(b) Other current liabilities	219.21	6,551.02
(c) Short-term provisions	14.56	-
	98,421.41	65,973.94
<b>TOTAL</b>	<b>106,806.00</b>	<b>62,891.59</b>
<b>II. ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Fixed assets		
(a) Tangible assets	20,592.14	1,257.25
(b) Intangible assets	3.04	5.32
(c) Capital work-in-progress	1,041.78	-
	21,636.96	1,262.57
(b) Non-current investments	2,512.27	11.77
(c) Long-term loans and advances	4,884.18	2,212.15
<b>2 Current assets</b>		
(a) Inventories	5,728.10	13,739.38
(b) Trade receivables	67,575.63	43,561.08
(c) Cash and Bank Balance		
Cash and cash equivalents	235.31	516.18
Other Cash and bank balance	30.11	27.64
(d) Short-term loans and advances	4,203.44	1,560.82
	77,772.59	59,405.11
<b>TOTAL</b>	<b>106,806.00</b>	<b>62,891.59</b>

As per our report of even date attached.

**FOR, RAJIV SHAH & ASSOCIATES**

Chartered Accountants

(FRNo.108454W)



Place : Ahmedabad

Date : 30/05/2012

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

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

  
**Nilesh K. Patel**  
Managing Director

Place : Ahmedabad

Date : 30/05/2012

# N.K. Industries Ltd.

## Statement of Profit and Loss for the Period Ended on 31 Mar 2012

Rs.in Lacs

Particulars	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
Revenue from operations	545,277.81	213,323.98
Other income	1,795.27	557.69
<b>Total Revenue</b>	<b>547,073.08</b>	<b>213,881.66</b>
<b>Expenses:</b>		
Cost of materials consumed	52,399.05	115,238.71
Purchases of Stock-in-Trade	503,503.53	96,074.34
Changes in inventories of finished goods WIP and Stock-in-Trade	(3,647.31)	(257.18)
Employee benefits expense	198.25	382.08
Finance costs	21.77	169.64
Depreciation and amortization expense	203.39	183.80
Other expenses	2,356.21	3,330.88
<b>Total expenses</b>	<b>555,034.89</b>	<b>215,122.27</b>
<b>Profit before tax</b>	<b>(7,961.81)</b>	<b>(1,240.61)</b>
<b>Tax expense:</b>		
Current tax	-	-
Deferred tax	(125.01)	(29.05)
<b>Profit (Loss) for the period</b>	<b>(7,836.80)</b>	<b>(1,211.56)</b>
Earnings per equity share:		
Basic and Diluted	(130.40)	(20.16)

As per our report of even date attached.

**FOR, RAJIV SHAH & ASSOCIATES**

Chartered Accountants  
(Firm No. 108454W)

Rajiv C Shah  
Partner  
M.NO.043261

Place : Ahmedabad

Date : 30/05/2012



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

Nimish K. Patel  
Chairman & Managing Director

Place : Ahmedabad  
Date : 30/05/2012

Nilesh K. Patel  
Managing Director

# N. K. Industries Limited

## Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2012 ( ' In Lacs)

Particulars	31.3.2012	31.3.2012	31.3.2011	31.3.2011
<b>Cash Flow Operating Activities:</b>				
Net Profit After Tax and Extra Ordinary Items		(7,961.81)		(1,244.53)
Adjustment for :				
Depreciation		203.39		183.80
Interest Charged P&L a/c		21.77		169.64
		<b>(7,736.65)</b>		<b>(891.09)</b>
Adjustment for :				
Trade and other receivables	(29,329.20)		(34,836.77)	
Inventories	8,011.28		(5,744.40)	
Trade Payable	32,226.18	10,908.26	42,935.23	2,354.07
Cash Generated from operating Activities		3,171.61		1,462.97
Less: Income Tax Paid		-		(3.92)
Cash flow before extra ordinary item		3,171.61		1,466.90
Extra Ordinary Item		-		-
<b>Net Cash Flow from operating Activities</b>		<b>3,171.61</b>		<b>1,466.90</b>
<b>Cash Flow From Investing Activities:</b>				
Purchase of Fixed Assets	(1,130.64)		(267.30)	
Purchase/Sale of Investments	(2,500.50)	(3,631.14)	-	(267.30)
<b>Net Cash Flow from Investing Activities</b>		<b>(3,631.14)</b>		<b>(267.30)</b>
<b>Cash Flow From Financing Activities:</b>				
Proceeds from Borrowing	202.91		(848.55)	
Interest Paid	(21.77)		(169.64)	
Net Cash used in Financial Activities		181.14		(1,018.19)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(278.40)</b>		<b>181.40</b>
Cash & Cash equivalent as at 01 <sup>st</sup> April		543.82		362.42
Cash & Cash equivalent as at 31 <sup>st</sup> March		265.42		543.82
		<b>(278.40)</b>		<b>181.40</b>

per our report of even date attached.

**FOR, RAJIV SHAH & ASSOCIATES**

Chartered Accountants

(FRNo.108454W)

For and on behalf of the Board of Directors of

**N.K.Industries Ltd.**

  
Nimish K. Patel  
Chairman & Managing Director

  
Nilesh K. Patel  
Managing Director

Place : Ahmedabad

Date : 30/05/2012



Place : Ahmedabad

Date : 30/05/2012

# 1 Share Capital

## a. Details of Share Capital

Particulars	As at 31-Mar-2012		As at 31-Mar-2011	
	Number		Number	
<b>Authorized</b>				
Preference Share Capital				
Preference shares of ` 100 each	500,000	50,000,000	500,000	50,000,000
Equity Share Capital				
Equity Share of Rs. 10 Each	25,000,000	250,000,000	25,000,000	250,000,000
		<b>300,000,000</b>		<b>300,000,000</b>
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Share Capital				
Equity Share of Rs. 10 Each	6,009,900	60,099,000	6,009,900	60,099,000
<b>Total</b>	<b>6,009,900</b>	<b>60,099,000</b>	<b>6,009,900</b>	<b>60,099,000</b>

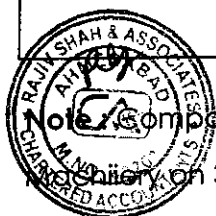
## b Share holding details of the company As at 31-Mar-2012 and name of persons holding more than 5% shares.

Name of Shareholder/Company	As at 31-Mar-2012		As at 31-Mar-2011	
	No. of Shares held	%	No. of Shares held	%
<b>Names of person holding more than 5% shares</b>				
Shanti Stock Holding Pvt Ltd	1,313,883	21.86	1,313,883	21.86
<b>Total</b>	<b>1,313,883</b>	<b>21.86</b>	<b>1,313,883</b>	<b>21.86</b>



## 2 Reserves & Surplus

Particulars		As at 31-Mar-2012	As at 31-Mar-2011
<b>General Reserves</b>			
Opening Balance		1,038,073	1,038,073
Closing Balance		1,038,073	1,038,073
<b>Security Premium Account</b>			
Opening Balance		90,297,000	90,297,000
Closing Balance		90,297,000	90,297,000
<b>Capital Reserve</b>			
Opening Balance		1,224,592	1,224,592
Add : Transfer from State Govt. Cash Subsidy Received		1,872,464	-
Add : Transfer from Waiver of Principal amt of bank		170,928,283	-
Closing Balance		174,025,339	1,224,592
<b>Revaluation Reserve (Note Below)</b>			
Opening Balance		-	-
Land		943,425,648	-
Buildings		299,543,578	-
Plant & Machinery		701,745,568	-
Closing Balance		1,944,714,794	-
<b>State Government Cash Subsidy Received</b>			
Opening Balance		1,872,464	1,872,464
Less : Transfer to Capital Reserve		(1,872,464)	-
Closing Balance		-	1,872,464
<b>Waiver Of Principal Amt.Of Bank</b>			
Opening Balance		170,928,283	170,928,283
Less : Transfer to Capital Reserve		(170,928,283)	-
Closing Balance		-	170,928,283
Total		174,025,339	174,025,339
<b>Surplus/(Deficit)</b>			
Opening balance		(669,166,844)	(548,011,159)
(+) Net Profit/(Net Loss) For the current year		(783,680,053)	(121,155,685)
Closing Balance		(1,452,846,897)	(669,166,844)
Total		757,228,308	(403,806,432)



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

### 3 Long Term Borrowings

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
<b>Secured Term loans</b>		
<b>from banks</b>		
HDFC BANK LOAN - VENTO CAR (Secured against Hypothecation of Vehicles)	351,683	663,719
<b>from other parties</b>		
SUNDRAM FINANCE LTD- INDICA (Secured against Hypothecation of Vehicles)	22,320	146,386
SUNDRAM FINANCE LTD- VISTA (Secured against Hypothecation of Vehicles)	-	32,050
Terms of Repayment - 36 Equalised monthly installments for Car loans		
<b>Total</b>	<b>374,003</b>	<b>842,155</b>

### 4 Deferred Tax Liability

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

b Details of deferred tax Liability/Assets

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
<b>Deferred tax liability</b>		
Difference of Depreciation	11,337,532	13,977,681
<b>Total DTL</b>	<b>11,337,532</b>	<b>13,977,681</b>
<b>Deferred tax asset</b>		
Provision for Gratuity disallowable u/s. 40A(7) of I Tax Act	523,059	1,238,679
Provision for Leave disallowable u/s. 43B of I Tax Act	36,756	237,617
*Provision for Doubtful Debts - Advances	135,787,145	-
<b>Total DTA</b>	<b>136,346,961</b>	<b>1,476,296</b>
<b>Net Deferred Tax Liability/(Asset)*</b>	<b>(125,009,429)</b>	<b>12,501,385</b>

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



## 5 Long Term Provisions

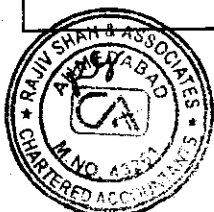
Particulars	As at 31-Mar-2012	As at 31-Mar-2011
<b>Provision for Employee Benefits</b>		
Leave Encashment	524,327	768,988
Gratuity	3,181,499	4,008,670
Total	3,705,826	4,777,658
<b>Others</b>		
Interest Payable On Block Assessment	14,758,294	14,758,294
Provision Income Tax - Block Assessment	2,293,291	2,593,291
Total	17,051,585	17,351,585
<b>Total</b>	<b>20,757,411</b>	<b>22,129,243</b>

## Other Current liability

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Current maturities of Long-term borrowings	468,152	46,649,248
Other payables		
Expense payable	1,981,813	2,935,273
Other Statutory Liabilities	660,042	2,019,117
Advance Received from Customers	18,811,326	603,498,720
Total	21,453,181	608,453,110
<b>Total</b>	<b>21,921,333</b>	<b>655,102,357</b>

## 7 Short Term Provisions

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
<b>Provision for employee benefits</b>		
Bonus	644,674	-
Gratuity	685,480	-
Leave Encashment	126,241	-
	<b>1,456,395</b>	<b>-</b>





# 8 Fixed Assets

Sr.	Particulars	Gross Block			Accumulated Depreciation			Net Block	
		As at 31-Mar-2011	Additions	Adj. during the year	As at 31-Mar-2012	As at 31-Mar-2011	Depre. charge for the year	As at 31-Mar-2012	As at 31-Mar-2011
a	<b>Tangible Assets</b>								
	Freehold Land	3,390,352	943,425,648*	-	946,816,000	-	-	946,816,000	3,390,352
	Buildings	107,687,371	299,543,578*	-	407,230,949	3,412,338	-	47,094,449	64,005,260
	Plant and Equipment	429,201,930	708,514,009	26,788	1,137,689,151	14,793,850	2,307	393,689,151	50,304,322
	Furniture and Fixtures	5,207,295	9,025	-	5,216,320	330,988	-	3,879,731	1,658,552
	Vehicles	6,771,710	1,609,115	-	8,380,825	991,082	-	5,164,629	2,598,163
	Office equipment	6,449,260	570,691	-	7,019,951	327,787	-	3,489,365	3,287,682
	Computers	3,641,245	154,900	225,365	3,570,780	437,831	36,632	3,392,241	650,203
<b>Total</b>		<b>562,349,164</b>	<b>710,857,740</b>	<b>252,153</b>	<b>2,515,923,976</b>	<b>20,293,876</b>	<b>38,939</b>	<b>2,059,214,410</b>	<b>125,894,535</b>
b	<b>Tangible Assets Previous Year</b>	529,803,064	32,546,100	-	562,349,164	18,379,582	-	436,624,633	111,558,013
	<b>Intangible Assets</b>								
	Computer software	532,181	26,200	-	558,381	83,943	-	253,947	362,177
	<b>Total</b>	<b>532,181</b>	<b>26,200</b>	<b>-</b>	<b>558,381</b>	<b>83,943</b>	<b>-</b>	<b>253,947</b>	<b>362,177</b>
c	<b>Intangible Assets Previous Year</b>	473,656	58,525	-	532,181	80,419	-	170,004	384,071
	<b>Capital Work In Progress</b>								
	Capital Work In Progress	562,881,345	710,883,940	252,153	2,516,482,357	20,377,819	38,939	456,963,513	126,256,712
	<b>Total</b>	<b>562,881,345</b>	<b>815,061,590</b>	<b>252,153</b>	<b>2,620,660,008</b>	<b>20,377,819</b>	<b>38,939</b>	<b>2,163,696,495</b>	<b>126,256,712</b>
	<b>Capital Work In Progress Previous Year</b>	5,874,350	-	5,874,350	-	-	-	-	5,874,350
	<b>Previous Year figures</b>	536,151,070	32,604,625	5,874,350	562,881,345	18,460,001	-	436,794,637	117,816,434

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

(1) Freehold Land by Rs. 94,34,25,648

(2) Building by Rs. 29,95,43,578

(3) Plant & Machinery by Rs. 70,17,45,567



## 9 Non Current Investments

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

Summarized information of investments

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
<b>Other Investments - Unquoted</b>		
Investment in Equity instruments	9,268,060	9,268,060
Investments in Government or Trust securities	23,500	23,500
Investments in Equity of Joint Venture Company	250,050,000	-
Total	259,341,560	9,291,560
Less:		
Provision for diminution in the value of Investments	8,115,000	8,115,000
Total	251,226,560	1,176,560



A Details of Other Investments - Unquoted			
Sr.	Name of the Body Corporate	No. of Share	
		2011-12	2010-11
		Amount (₹)	
		2011-12	2010-11
a	Investment in Equity Instruments		
	ACCURATE EXPORTS LTD. of ` 10 each	100,000	100,000
	FICON LEASE & FINANCE LTD. of ` 10 each	350,000	350,000
	HYTAISUN MAGNETICS LTD. of ` 10 each	10,000	100,000
	THE VISNAGAR N.S.BANK LTD. of ` 25 each	140,600	3,515,000
		600,600	8,115,000
	Less:		
	Provision for diminution in the value of Investments	600,600	8,115,000
		—	—
	AHMEDABAD COMMODITY EXCHANGE LTD of ` 10 each	56,500	1,153,000
b	KALUPUR COMM.CO.OP.BANK of ` 10 each	6	60
	<u>Joint Venture Investments</u>		
	AWN AGRO PVT. LTD. of ` 10 each	25,005,000	250,050,000
		25,061,506	251,203,060
	Sub-Total		
		259,318,060	9,268,060
	Less:		
	Provision for diminution in the value of Investments	8,115,000	8,115,000
	Total	251,203,060	1,153,060
	Investments in Government or Trust securities	23,500	23,500
	NATIONAL SAVINGS CERTIFICATE		
	Total	23,500	23,500
	<b>Grand Total</b>	<b>251,226,560</b>	<b>1,176,560</b>



## 10 Long Term Loans and Advances

a Details of Long Term Loans and Advances

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
<b>Security Deposits</b>		
Unsecured, considered good	9,144,789	7,427,066
<b>Long term Loans and advances to related parties</b>		
Unsecured, considered doubtful	96,606,928	79,808,899
<b>Total</b>	96,606,928	79,808,899
Less: Provision for doubtful advances	96,606,928	59,199,695
<i>Loans and advances to related parties</i>	-	20,609,204
<b>Long-term Loans and advances to others</b>		
Unsecured, considered good	479,273,664	194,443,865
Doubtful	20,552,926	20,552,925
<b>Total</b>	499,826,590	214,996,790
Less: Provision for doubtful advances	20,552,926	21,817,808
<i>Other loans and advances to others</i>	479,273,664	193,178,982
<b>Total</b>	<b>488,418,453</b>	<b>221,215,252</b>

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

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Directors	-	-
Other officer of the company.	-	-
Firm in which officer or director is a Partner	-	-
Company in which director is a Director	96,606,928	79,808,899
<b>Total</b>	<b>96,606,928</b>	<b>79,808,899</b>

## 11 Inventories

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
<b>Raw Materials and components</b>		
Castor Seed	-	1,099,525,370
<b>Finished goods</b>		
12HSA	-	14,102,047
Castor Cake	-	11,247,183
Castor Commercial Oil	-	16,038,681
Doc	-	47,029,375
FSG Castor Oil	-	109,579,261
H.C.O. Castor Oil	-	13,327,814
Solvent Castor Oil	-	2,729,117
	-	214,053,478
<b>Stock-in-trade</b>		
Castor seed	567,537,320	-
Chemicals	-	8,904,966
Stores and spares	4,850,935	10,495,509
Packing Materials	421,988	40,959,157
<b>Total</b>	<b>572,810,243</b>	<b>1,373,938,480</b>

for



## \* 12 Trade Receivable

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Outstanding for a period less than six months from the date they are due		
Unsecured, considered good	6,113,413,774	4,326,193,089
Net of provision	6,113,413,774	4,326,193,089
Outstanding for a period exceeding six months from the date they are due		
Unsecured, considered good	644,148,994	29,914,755
Unsecured, considered doubtful	352,298,715	352,894,638
	996,447,709	382,809,393
Less: Provision for doubtful debts	352,298,715	352,894,638
Net of provision	644,148,994	29,914,755
<b>Total</b>	<b>6,757,562,768</b>	<b>4,356,107,844</b>

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

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Directors	-	-
Other officer of the company	-	-
Firm in which officer or director is a Partner	-	-
Company in which officer or director is a Director	1,272,998,422	601,320,863
<b>Total</b>	<b>1,272,998,422</b>	<b>601,320,863</b>

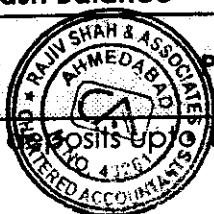
## 13 Cash and Bank Balance

### Cash and cash Equivalent

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Balances with banks	20,203,470	41,879,543
Cash on hand	3,327,582	9,738,383
<b>Total</b>	<b>23,531,053</b>	<b>51,617,926</b>

### Other Cash Balance

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Bank deposits upto 12 months maturity	3,010,508	2,764,470
<b>Total</b>	<b>3,010,508</b>	<b>2,764,470</b>



per

## 14 Short-term loans and advances

Particulars	As at 31- Mar-2012	As at 31- Mar-2011
<b>Short Term Loans and advances to others</b>		
Unsecured, considered good	280,627,017	114,835,746
Unsecured, considered doubtful	134,480	145,722
Total	280,761,497	114,981,468
Less: Provision for doubtful advances	134,480	123,090
	280,627,017	114,858,378
<b>Advances to suppliers for Capital work</b>		
Unsecured, considered good	12,581,927	181,096
<b>Advances to suppliers</b>		
Unsecured, considered good	127,135,136	41,042,617
Total	<b>420,344,080</b>	<b>156,082,091</b>



## 15 Revenue

Particulars	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
Sale of products	54,528,257,396	21,333,546,393
total	54,528,257,396	21,333,546,393
Less:		
Excise duty	476,642	1,148,869
Total	54,527,780,754	21,332,397,524

## 16 Other Income

Particulars	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
Interest Income (TDS Rs.5.99(P.Y. Rs.7.96)Lacs)	45,675,616	9,802,826
Profit From Future And Options	214,531	(12,103,101)
Soda Settlement	33,244	1,307,429
Speculation Profit & Loss	593,194	5,729,856
Export Benefit	-	1,140,877
Bad Debts Recovery	595,923	-
Misc. Income	745,558	1,026,106
Lease Rent (TDS Rs.27.12(P.Y.Rs. Nil)Lacs)	45,000,000	-
Sales of Packing Material	86,669,013	48,864,667
Total	179,527,079	55,768,660

## Cost of Material Consumed

Particulars	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
Castor Seed	5,205,016,249	11,248,559,896
Castor Oil Cake	34,888,877	275,311,357
Total	5,239,905,126	11,523,871,253



## 18 Purchase of Trading Goods

Particulars	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
<b>Castor Seed</b>		
Stock transferred from manufacturing goods	682,345,314	-
Purchase during the year	43,274,778,597	-
Other direct purchase costs	1,336,627	-
<b>Castor Seed</b>	<b>43,958,460,538</b>	<b>-</b>
<b>Castor Oil Cake</b>		
Stock transferred from manufacturing goods	2,737,593	-
Purchase during the year	37,047,428	-
Other direct purchase costs	472,989	-
<b>Castor Oil Cake</b>	<b>40,258,010</b>	<b>-</b>
<b>Cotton Wash Oil</b>		
Purchase during the year	1,573,142,617	4,747,334,461
Other direct purchase costs	194,685	32,330
<b>Cotton Wash Oil</b>	<b>1,573,337,302</b>	<b>4,747,366,791</b>
<b>Refined Cotton Seed Oil</b>		
Purchase during the year	62,612,020	-
Other direct purchase costs	1,468,905	-
<b>Refined Cotton Seed Oil</b>	<b>64,080,925</b>	<b>-</b>
<b>FSG Castor Oil</b>		
Purchase during the year	4,713,971,812	4,514,558,071
<b>FSG Castor Oil</b>	<b>4,713,971,812</b>	<b>4,514,558,071</b>
<b>Castor Oil</b>		
Purchase during the year	238,248	341,046,343
Other direct purchase costs	6,000	4,463,217
<b>Castor Oil</b>	<b>244,248</b>	<b>345,509,560</b>
<b>Cost of Goods sold</b>	<b>50,350,352,835</b>	<b>9,607,434,422</b>

### Details Imported & indigenous material consumed

Rs. In Lacs

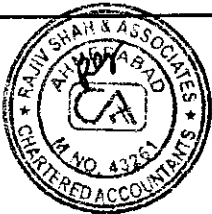
Particulars	For the year ended 31 March 2012		For the year ended 31 March 2011	
		%		%
Imported Material Consumed	—	0.00%	—	0.00%
Indigenous Material Consumed	52,399	100.00%	115,239	100.00%
<b>Total Material Consumed</b>	<b>52,399</b>	<b>100.00%</b>	<b>115,239</b>	<b>100.00%</b>





## 19 Chage in inventory

Particulars	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
<b>FSG Castor Oil</b>		
Stock at the Beginning of the financial year	109,579,261	85,980,261
Stock at the End of the financial year	—	109,579,261
	109,579,261	- 23,599,000
<b>Castor Seed - Traded</b>		
Stock at the Beginning of the financial year	—	—
Stock at the End of the financial year	567,537,320	—
	- 567,537,320	—
<b>DOC</b>		
Stock at the Beginning of the financial year	47,029,375	52,782,529
Stock at the End of the financial year	—	47,029,375
	47,029,375	5,753,154
<b>Castor Commercial Oil</b>		
Stock at the Beginning of the financial year	16,038,681	29,944,776
Stock at the End of the financial year	—	16,038,681
	16,038,681	13,906,095
<b>12HSA</b>		
Stock at the Beginning of the financial year	14,102,047	3,655,267
Stock at the End of the financial year	—	14,102,047
	14,102,047	- 10,446,780
<b>HCO Castor Oil</b>		
Stock at the Beginning of the financial year	13,327,814	4,602,563
Stock at the End of the financial year	—	13,327,814
	13,327,814	- 8,725,251
<b>Solvent Castor Oil</b>		
Stock at the Beginning of the financial year	2,729,117	122,745
Stock at the End of the financial year	—	2,729,117
	2,729,117	- 2,606,372
<b>Total</b>	<b>- 364,731,025</b>	<b>- 25,718,154</b>



## 20 Employee benefits expense

Employee Benefits Expense	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
Salaries and incentives	16,069,597	33,699,390
Contributions to Provident Fund, FPF and other Funds	277,610	2,027,506
Gratuity fund contributions	1,848,983	1,494,560
Leave Encashment expenses	1,168,985	163,358
Staff welfare expenses	459,868	822,966
<b>Total</b>	<b>19,825,043</b>	<b>38,207,780</b>

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

### I. Defined Contribution Plans:

- (a) Provident Fund / Employees' Pension Fund

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

Particulars	31/03/2012	31/03/2011
Employer's Contribution to Provident Fund / Employee's Pension Fund	277610.00	2027506.00

### II. Defined Benefit Plans - Non Funded

- (a) Provision for Gratuity Liability

- (b) Provision for Leave Encashment

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

### (A) Changes in Defined Benefit Obligation:

in lacs

Particulars	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Defined Benefit Obligation as at 01.04.2011	40.09	25.73	7.69	6.21
Current Service Cost	4.41	4.57	2.21	2.61
Interest Cost	3.24	2.08	0.62	0.50
Benefits Paid	-	(0.58)	(12.87)	(0.16)
Actuarial (gain) / loss on Obligations	(9.07)	8.30	8.86	(1.47)
Defined Benefit Obligation as at 31.03.2012	38.67	40.09	6.51	7.69



(B) Amount recognized in the Balance Sheet:

in Lacs

Particulars	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Defined Benefit Obligation as at 31st March	38.67	40.09	6.51	7.69
Fair Value of Plan Assets as at 31st March	-	-	-	-
Liability / (Asset) recognized in the Balance Sheet included in Current Liabilities and Provisions	38.67	40.09	6.51	7.69

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

Rupees in Lacs

Particulars	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Current Service Cost	4.41	4.57	2.21	2.61
Interest Cost	3.24	2.08	0.62	0.50
Net actuarial (gain) / loss recognized in the period	(9.07)	8.30	8.86	(1.47)
Total Expenses recognized in the P & L Account included in Contribution to Provident and Other Funds	(1.42)	14.95	11.69	1.63

(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:

	31.03.2012	31.03.2011
(a) Discount rate [per annum]	8.09%	8.20%
(b) Expected Retirement age of employees [years]	58 Years	58 Years
(c) Rates of leaving service – 3% (P.Y. 3%)	3%	3%
(d) Expected Increase in Salary – 5% (P.Y. 5%)	5%	5%
(e) Leave Availment Pattern, The balance leave is available for encashment on separation from the company.		
(f) The estimates of future salary increases, considered in the actuarial valuation, taken on account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.		



21 Finance Cost

Particulars	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
Interest expense	2,081,818	16,814,287
Other borrowing costs	95,505	149,819
Total	2,177,323	16,964,105

## 22 Other Expenses

Particulars	For the year ended on 31-Mar- 2012	For the year ended on 31- Mar-2011
<b>Manufacturing Expenses</b>		
Brokerage Expense	959,665	3,892,902
Labour Charges	63,727,220	108,351,751
Loading-Unloading Expense	2,083,650	3,091,819
Power and Fuel	17,821,007	61,996,391
Vat Reversal	7,554	1,958,135
Repair to Plant and Machinery	2,794,159	5,286,430
Rates and taxes, excluding, taxes on income.	1,612,142	3,611,778
Consumption of Stores & Packing Materials	71,945,679	76,588,980
Other Manufacturing Expenses	123,052	417,047
<b>Total Manufacturing Expenses</b>	<b>161,074,127</b>	<b>265,195,233</b>
<b>Administrative Expenses</b>		
Godown Rent	3,400,812	13,337,919
Telephone Expenses	597,161	701,935
Professional Fees	4,179,631	4,878,072
Auditors Remuneration	78,652	551,500
Stationery and Printings	198,650	611,031
Travelling Expenses	4,135,058	3,030,446
Insurance	1,067,733	1,225,033
Donation	255,011	117,846
Membership Fees	1,699,410	557,042
Repair and Maintenance - Others	1,357,358	2,554,417
Security Services	1,376,132	4,493,634
Vehicle Running-Repair Expense	1,098,404	1,278,843
Other Admin Expenses	2,384,694	6,618,709
<b>Total Administrative Expenses</b>	<b>21,828,707</b>	<b>39,956,427</b>



Selling and Distribution Expenses	Transportation Expenses	13,792,296	20,979,273
	Advertisement Expenses	50,460	876,150
	Sales Promotion Expenses	744,164	75,448
	Clearing Forwarding Expenses	1,286,158	5,386,374
	Sales Commission Expenses	691,437	23,150
Provision for Doubtful Advances		16,564,515	27,340,395
		36,153,740	595,923
		235,621,089	333,087,978
Total Other Expenses			



## 23 Significant accounting policies

### Basis of preparation of financial statements

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

### Use of estimates

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

### Fixed assets and depreciation/amortisation

#### *Tangible fixed assets*

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

- Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.
- Advances paid towards acquisition of fixed assets and the cost of assets acquired but not ready for use as at the balance sheet date are disclosed under capital work-in-progress.

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

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

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

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

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

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

### Impairment of assets

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

### Investments

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

### Inventories

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



## Revenue recognition

Revenue from Job Work is recognised on completion of work.

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

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

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

## Employee Benefits

### (i) Post-employment Benefits:

#### (a) Defined Contribution Plans:

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

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

### (b) Defined Benefit Plans:

#### Unfunded Plan:

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

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

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

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

## Foreign currency transactions

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

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

## Taxation

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

### Current tax

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

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

### Deferred tax

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

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



## Earnings per share ('EPS')

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

## Contingencies and provisions

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





## 24 Other details to Balance Sheet

### a Contingent Liabilities and Commitments

	Particulars		As at 31-Mar-2012 (Rs. In Lacs)	As at 31-Mar-2011 (Rs. In Lacs)
	<b>Contingent Liabilities</b>			
a.	Claims against the Company, not acknowledged as debts (including interest and penalty)			
-	Sales tax		5423.55	5285.83
-	Other Claims (without considering interest liability)		1333.31	1333.31
-	Income tax		327.91	25.93
-	Various Suits filed by banks and others		Please See Note No.(d) below	Please See Note No.(d) below
b.	Winding up petition pending against the company filed by Vemag Engg. Pvt. Ltd. for recovery of dues		17.38	17.38
c.	Storage Rent in respect of earlier year for storage of Oil		Not Ascertainable	Not Ascertainable
	<b>Commitments</b>			
	Capital Commitments			
	Other Commitments			

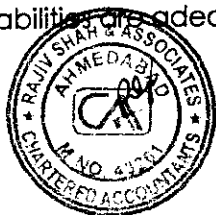
b

The Company has paid off the entire principal outstanding amount to The Visnagar Nagrik Sahkari Bank Ltd. (Under Liquidation) as per the Hon'ble High Court of Gujarat and Hon'ble Session Court's orders. As regards the payment of interest, our application was considered by the Expert Committee appointed by the High Power Committee in terms of the OTS scheme of the Government of Gujarat for Co-operative Banks under liquidation. The Expert Committee erroneously considered the cut off date for Non Performing Asset of our N.K.Group of Accounts. The Company has therefore filed a miscellaneous application in the Hon'ble High court against the Liquidator, Visnagar Nagrik Sahakari Bank Ltd which is pending. In the meanwhile, the Company has paid the entire amount of interest calculated @6% p.a.as per its working. The Bank has demanded interest @ 21% p.a. as per original sanction letter. Since matter is pending with Highcourt/Government, No provision is considered necessary for differential interest amount.

c The amount of sale proccesds of the finished goods sold by the Consortium Bank, Bank of Baroda was deposited in the Central Bank of India by way of the Fixed Deposit as per the DRT's Order. The value of the sale proceeds was Rs.2,29,62,260/- which became Rs. 4,49,39,812/- on account of addition of interest. The Company having settled all the banks' dues, filed an appeal in DRT to release the money deposited in the Central Bank of India on due consideration, the Hon'ble DRT ordered the Central Bank of India to release the said FDR with interest. The Company has since received the amount of Rs.4,49,39,812/- from the Central Bank of India. Accordigly, entire interest amount of Rs.2,19,77,552/- is credited to profit and loss account.



- d On having settled all the compromise dues of the banks and IDBI, the BIFR has disposed off our first reference Case no. 35/1999. It has, however, registered our subsequent references and appointed Canara Bank as an Operating Agent vide its order dated 1st March, 2012 to make a Draft rehabilitation scheme for its consideration.
- e There was a Search & Seizure action U/S 132 of the Income Tax Act on 24.2.99. The Income Tax department had raised demand of Rs. 33.12 crores in the block assessment Order DT. 30.4.01. Subsequently, ITAT has given relief to the extent of Rs. 28.84 crores. The company's appeal before Hon. Gujarat High Court against addition confirmed by ITAT of Rs. 4.28 crores is admitted. Pending the disposal of appeal by Hon'ble High Court the provision for Income Tax of Rs. 2.88 Crores on addition confirmed by ITAT was made during F.Y. 2002-03 and provision of Rs. 1.27 crore of interest payable up to 31.03.2005 is made in the accounts. Adhoc payments made against outstanding demands are adjusted against principal amounts. No provision is made for the interest payable if any, on the outstanding demand for the period from 1<sup>st</sup> April, 2005 till date as company is hopeful of getting favorable order from the High Court.
- f The company has revalued assets on 31-03-2012 to reflect fair value of assets in books. The amount of revaluation of Rs. 194.47 crore credited to Revaluation Reserve and debited to respective assets.
- g No provision is made during the year for interest receivable on various advances amounting to Rs. 1171.60 Lacs (P.Y. Rs. 1011.98) as the same are considered doubtful.
- h The Company is engaged in the business of manufacturing and selling the Refined Castor Oil and its derivatives. Thus there is solitary business segment of Oils. Therefore, segment wise information as required by AS-17 on "Segment Reporting" is not applicable.
- i Balances of Sundry Debtors, Creditors and Loans & Advances are subject to Confirmation by them & reconciliation if any.
- j In the opinion of the management, there is no indication, internal or external, which could have the effect of impairing the value of assets to any material extent as at the balance sheet date requiring recognition in term of AS -28.
- k In the opinion of the Board, Current Assets, 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.



## 25 Other Informations - Profit and Loss Statement

### a Earnings per share

Particulars		For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
<b>Basic</b>			
Profit attributable to equity shareholders		(7,837)	(1,212)
Nominal Value of equity share		10	10
Weighted average number of ordinary equity shares for Basic EPS	No.	6,009,900	6,009,900
<b>Basic and Diluted EPS</b>		(130.40)	(20.16)

### b Details of Payment to Auditors

Particulars		For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
As an auditor			
for audit fees		56,180	496,350
for taxation matters		22,472	55,150
<b>Total</b>		<b>78,652</b>	<b>551,500</b>

### c Details of Prior period Items

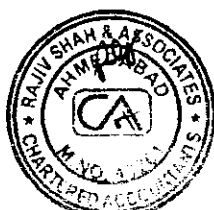
Particulars		For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
Freight & Clearing-Forwarding Exp.		-	228,830
Factory Misc. Expenses		18,207	59,181
Office Miscellaneous Expenses		35,755	19,413
Repairs & Manitenance		2,000	233,339
Salary Expenses		-	12,630
Legal & Professional		72,798	-
<b>Total</b>		<b>128,760</b>	<b>553,393</b>

### d Earnings in foreign currency

Nil (Prev. Year Nil)

### e Expenditure in foreign currency

Nil (Prev. Year Nil)



## 26 Related party disclosures

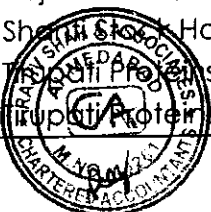
### a List of related parties

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

### b Details of transactions with related paty

(` in lacs)

Sr	Name of party	Nature of Transaction	2011-12	2010-11
1	Ashwin P. Patel	Remuneration	6.00	3.00
2	AWN Agro Pvt. Ltd.	Purchases/ Services	27.95	-
3	AWN Agro Pvt. Ltd.	Sales	25,321.33	-
4	AWN Agro Pvt. Ltd.	Lease Rent Received	450.00	-
5	N. K. Proteins Ltd.	Purchases/ Services	7,932.16	15,620.43
6	N.K Flour Mills Ltd.	Loans Given	0.20	0.02
7	N.K Infraventures Pvt. Ltd.	Loans Given	4.59	3.18
8	N.K.Corporation	Purchases/ Services	598,868.02	160,265.60
9	N.K.Corporation	Sales	8,465.29	0.16
10	N.K.Oil Mills Pvt.Ltd	Loans Given	117.76	219.66
11	N.K.Proteins Ltd.	Sales	18,477.81	151,726.66
12	N.K.Roadways Pvt.Ltd.	Purchases/ Services	0.25	3.39
13	N.K.Roadways Pvt.Ltd.	Hire Charges Received	-	1.20
14	Nilesh K. Patel	Remuneration	0.60	0.60
15	Nimish K. Patel	Remuneration	0.60	0.60
16	Rajiv M. Todi, Manager	Remuneration	19.36	19.36
17	Shanti Stock Holdings Pvt.Ltd.	Loans Given	45.44	6.48
18	Tirupati Proteins Pvt.Ltd.	Purchases/ Services	9,291.85	806.58
19	Tirupati Proteins Pvt.Ltd.	Sales	9,356.95	14,425.23



c Details of Closing Balances - Receivable/(Payable)

Sr	Name of party	As at 31-Mar-2012	As at 31-Mar-2011
1	AWN Agro Pvt. Ltd.	806.68	-
2	N.K Flour Mills Ltd.	502.42	502.22
3	N.K. Corporation	(83,456.42)	(32,882.48)
4	N.K. Infraventures Pvt. Ltd.	47.58	42.99
5	N.K. Oil Mills Pvt. Ltd.	314.17	196.42
6	N.K. Proteins Ltd.	11923.30	6,013.21
7	N.K. Roadways Pvt. Ltd.	0.68	275.93
10	Rajiv M. Todi, Manager	22.01	8.01
*11	Shanti Stock Holdings P. Ltd.	101.9	56.46
12	Tirupati Proteins Pvt. Ltd.	(11,561.29)	9,810.61

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

Entity	Voting Rights	
	31/03/2012	31/03/2011
AWN AGRO PRIVATE LIMITED , INDIA	50%	N.A.
<b>Other Information</b>	' In Lacs	' In Lacs
Shares of Assets	25679.30	-
Shares of Liabilities	27277.28	-
Share of Gross Income	58734.01	-
Shares of Expenses	62762.22	-
Shares of Contingent Liabilities	Nil	-

**28 Micro, Small & Medium Enterprises**

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

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

**29 Prior period comparatives**

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

As per our report of even date attached.

**FOR, RAJIV SHAH & ASSOCIATES**

Chartered Accountants

FR No. 108454W)

Rajiv C. Shah  
Partner

M. NO. 043364

Place : Ahmedabad

Date : 30/05/2012

For and on behalf of the Board of Directors of

**N.K. Industries Ltd.**

Nimish K. Patel

Chairman & Managing Director

Place : Ahmedabad

Date : 30/05/2012

Nilesh K. Patel

Managing Director

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

**ATTENDANCE SLIP**  
**24<sup>TH</sup> ANNUAL GENERAL MEETING**

Regd. Folio No. \_\_\_\_\_

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

I hereby record my presence at the 24<sup>TH</sup> ANNUAL GENERAL MEETING of the Company at 7<sup>th</sup> Floor, Popular House, Ashram Road, Ahmedabad -380 009 on Saturday, the 29<sup>th</sup> day of September, 2012 at 4.00 p.m.

-----  
Member's/Proxy's Name in  
BLOCK Letters

-----  
Member's/Proxy's  
Signature.

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

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

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

**FORM OF PROXY**

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the District of \_\_\_\_\_ being  
a Member/Members of the above named Company hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ in the district of \_\_\_\_\_ or failing him  
\_\_\_\_\_ of \_\_\_\_\_ in the District of  
\_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the 24<sup>th</sup> ANNUAL  
GENERAL MEETING of the Company to be held on the Saturday, 29<sup>th</sup> September, 2012 and at any  
adjournment thereof.

Signed this \_\_\_\_\_ day \_\_\_\_\_ 2012.

Affix One Rupee Revenue Stamp
--

Signature \_\_\_\_\_

Reg. Folio No. \_\_\_\_\_

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