



N.K. Industries Ltd.

**23rd Annual Report
2010-2011**

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



N.K. Industries Ltd.

N. K. INDUSTRIES LIMITED
23rd ANNUAL REPORT
2010-2011

BOARD OF DIRECTORS	:	NIMISH K.PATEL	Chairman & Managing Director
		NILESH K.PATEL	Managing Director
		ASHVIN P. PATEL	Whole Time Director
		JAYESH D. THAKKAR	Director
		Dr. BHARAT J. PATEL	Director
		MAITRAY D. PATEL	Director
AUDITORS	:	M/s CHANDULAL M.SHAH & CO. Chartered Accountants, Ahmedabad - 380 009	
REGISTERED OFFICE	:	7th 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	

Annual Report

NOTICE : NOTICE is hereby given that the 23rd Annual General Meeting of the members of N. K. Industries Limited will be held on Friday, the 30th day of September, 2011, at 4.00 p.m. at the Registered office of the Company at 7th 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 31st March 2011 and Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint Dr. Bharat J. Patel as a Director, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration. The retiring Auditors M/s Chandulal M. Shah & Co., 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.6691.67 Lacs, having exceeded its networth of Rs. 3254.59 Lacs as per duly audited annual accounts for the year 2010-11, 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 modification, the following resolution as an Ordinary Resolution:***

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgage or charge by the Board of Directors of the Company of all the immovable and movable properties of the Company wheresoever situated, present and future, and/or conferring power to enter upon and to take possession of assets of the Company in certain events, to or in favour of any Bank, Financial Institution or any other lender to secure Financial Assistance that may be granted/lent/advanced/provided to the Company by such Bank, Financial Institution or such other lender together with interest thereon at the rate, compound interest, additional interest, liquidated damages, costs, charges, expenses and other monies payable by the Company to Bank, Financial Institution or any such lender under Financial Assistance Agreement entered into or to be entered into by the Company in respect of the such Financial Assistance present or future."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with the Bank, Financial Institution or any such lender the documents for creating aforesaid mortgage and/or the charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to lease the whole or substantial the whole of the undertaking/s of the Company comprising of any of its factory, division, department, branch etc. or any substantial part of the properties of the Company wheresoever situated to any other Company, firm or other entities, and/or conferring the power to finalise the terms of such lease viz. period of lease, lease rental, other terms and conditions for lease and that Mr. Nimish K. Patel, Chairman & Managing Director and/or Mr. Nilesh K. Patel, Managing Directors 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



N.K. Industries Ltd.

enter into leasehold agreement with the concerned party and to secure the lease rentals for the benefit of the Company."

"RESOLVED FURTHER THAT the approval of the members of the company be and is hereby specifically given to the lease agreement executed by the Company with AWN Agro Private Limited and that all the actions taken by the Board of Directors and any one of the Directors of the Company in this regard be and is hereby specifically ratified."

"RESOLVED FURTHER 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, matters and things as may be necessary for giving effect to the above resolution."

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

"RESOLVED THAT in supersession of all the earlier resolutions passed at the General Meeting pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sums of money, from time to time from any one or more of the Company's bankers and/or from any other persons, firms, bodies corporate or financial institutions whether by way of cash credit, advance or deposits, loans, debentures or bill discounting or otherwise whether unsecured or secured so that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from Company's Bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, however that the total amount upto which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs.200 Crores(Rupees two hundred crores only)."

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

"RESOLVED THAT pursuant to the provisions of Section 292, 372A and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory amendment, modification or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company, to invest in securities/make loan/ give guarantee or provide security for a sum not exceeding Rs. 85 Crores (Rupees Eighty five crores only) to 'AWN Agro Private Limited' (a Joint Venture Company between M/s. Adani Wilmar Limited and M/s. N.K. Industries Limited), and that the said investment in securities, loan, guarantee or security may be made or given in such manner and on such terms and conditions as may be deemed appropriate by the Board of Directors of the Company in the best interest of the Company"

"RESOLVED FURTHER THAT Mr. Nimish K. Patel, Chairman & Managing Director and/or Mr. Nilesh K. Patel, Managing Director and/or Mr. Ashwin Patel, Whole Time Director and/or any one of the Directors of the Company, be and is/are hereby jointly or severally authorised to sign, execute, deliver all such deeds, documents papers, writings, forms, authorizations etc. as may be necessary and required for investing in securities or for granting of loan or for providing guarantee or security to the said AWN Agro Private Limited and do all such acts, deeds, things or matters as they may in their absolute discretion deem expedient, necessary fit or proper in connection therewith or incidental thereto."

By Order of the Board of Directors

Date: 30th May, 2011

sd/-

Place: Ahmedabad

Nimish K. Patel
Chairman & Managing Director

Annual Report

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 Wednesday, 21st September 2011 to Friday, 30th September 2011, 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. 6691.67 Lacs as at the end of the year ended 31st March 2011, 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 Company continues to borrow funds from any Bank, Financial Institution or any other lender to meet its short term and long term financial requirements. Normally, such Financial Assistance are to be secured by hypothecation / pledge of the Company's entire goods, movables and other assets, present and future, including documents titles to goods and other assets such as book-debts, outstanding moneys, receivables, claims, bills, invoices, documents, contracts, engagements, securities, investments and rights and all machinery, present and future, and are to be further secured by mortgage or deposit of all title deeds of the existing immovable properties of the Company with intent to create a security in favour of such Bank, Financial Institution or such other lender on such terms and conditions.

Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a Public Company shall not, without the consent of such public in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the Bank may be regarded as, disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956.

None of the Directors is in any way concerned or interested in the aforesaid resolution.

Your Directors recommend the Resolutions.

In respect of Item No. 6:

The Company has promoted a special purpose vehicle (SPV) in the name & style as "AWN Agro Private Limited" in collaboration with M/s. Adani Willmar Limited during the year 2010-11. In view of this, the Company is required to transfer its castor plants to such new company so that the castor business can be jointly conducted by both the JV partners. It had also been decided that till the castor plant of the Company is transferred by the Company to SPV, the Company was required to enter into lease agreement (dry) with AWN Agro Private Limited on payment of lease rent of Rs. 50 Lacs per month and on other terms and conditions as contained in the lease agreement.



N.K. Industries Ltd.

Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a Public Company shall not, without the consent of such public in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking.

The lease agreement between the Company and AWN Agro Private Limited is available for inspection on any working day during business hours at the registered office of the Company.

None of the Directors is in any way concerned or interested in the aforesaid resolution except to the extent of his shareholding in the Company.

Your Directors recommend the Resolutions.

In respect of Item No. 7:

The proposed increase in the borrowing power of the Board is required in view of certain borrowing which may be made by the Company from Financial Institution/Banks/other lender. The Board of Directors feels that the borrowing limits be raised to Rs.200 crores. The Resolution at item No.7 is of an enabling nature and would authorise the Board of Directors to borrow from time to time sums not exceeding Rs.200 crores. The Resolution would be in the supersession of the earlier resolution passed at the earlier General meeting of the Members of the Company.

None of the Directors is in any way concerned or interested in the resolution.

In respect of Item No. 8:

The Company proposes to make loan, give guarantee or provide security or invest in the securities of AWN Agro Private Limited, a joint venture company with Adani Willmar Limited. The proposed amount may be to the extent of Rs. 85 Crores (Rupees Eighty five crores only). This investment would enable the Company to provide its capital contribution and other commitment to the said AWN Agro Private Limited.

As per Section 372A of the Companies Act, 1956 approval of Shareholders is required by way of special resolution if the aggregate of the loans, investments, guarantees and securities exceed the limits as prescribed in the aforesaid provisions. The proposed investment not exceeding Rs. 85 Crores would be beyond such limit of Section 372A of the Companies Act, 1956 triggering approval of the members of the Company by way of special resolution.

Copy of the agreement/understanding with Adani Willmar Limited in connection with AWN Agro Private Limited and other relevant documents etc. are available for inspection at the registered office of the Company during working hours on any working day.

None of the Directors is in any way concerned or interested in the resolution.

By Order of the Board of Directors

Date: 30th May, 2011

Place: Ahmedabad

sd/-
Nimish K. Patel
Chairman & Managing Director

Annual Report

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors present their 23rd Report together with Audited Statements of Accounts of the Company for the year ended on 31st March, 2011.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	2010-11	2009-10
Export Sales	Nil	Nil
Domestic Sales	213260.69	70551.49
Total Sales	213260.69	70551.49
Job work Income	-	115.55
Profit/(Loss) before Tax & Depreciation	(1055.20)	(513.00)
Deduct: Depreciation	183.80	186.92
Profit/(Loss) before Tax	(1239.00)	(699.92)
Profit/(Loss) before prior period items and tax	(1239.00)	(699.92)
Deduct: Current Income Tax	4.00	-
Deduct: Tax (Fringe Benefit Tax)	-	0.47
Deduct : Previous year expenses	5.53	(12.74)
(Add)/ Less: Deferred Tax Income – Current year	29.05	11.11
Profit/(Loss) after Tax	(1211.56)	(698.76)
Balance brought forward from previous year	(5480.06)	(4781.30)
Amount carried to Balance Sheet	(6691.66)	(5480.06)

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. 213260.69Lacs. After providing for depreciation of Rs. 183.80 lacs, there was loss in the current year amounting to Rs. 1239 Lacs as against Loss of Rs. 699.92 Lacs in the year 2009-10.

As per the compromise settlements arrived at, the Company has paid off all the outstanding balances with all the banks and IDBI save and except the Kotak Mahindra Bank Ltd. No Due Certificates are received/ in the process of receiving from the said Banks/IDBI. Thereafter the Recovery Certificates issued by DRT, Ahmedabad will be treated as withdrawn. The consent terms executed with the Kotak Mahindra Bank Ltd. are filed in DRT, Mumbai and the Company is making repayments of their dues accordingly. Having generally paid off with almost all banks, there is no doubt of distinct possibility of the Company achieving its net worth positive in a short period and thereby the unit will be out of sickness in terms of the Sick Industrial Companies (Special Provisions) Act, 1985.

The Company jointly with M/s. Adani Wilmar Limited has floated a new company called M/s. AWN Agro Private Limited on 50:50 basis for manufacture and export of the refined castor oil (FSG) and its derivatives and by products. The castor plants of both the companies shall be transferred to M/s. AWN Agro Private Limited at the price which shall be finalized on receipt of valuation reports and subject to the approved of the concerned authorities.

Till transfer of the castor plants are finalised, both the companies have entered in to the dry lease agreement for eleven months effective from 1st of July, 2011 as per the supplementary Lease Agreement.

DIVIDEND

Your Directors express their inability to recommend any dividend for the year 2010-11 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. Dr. Bharat J. 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.



N.K. Industries Ltd.

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 Chandulal M. Shah & Co., 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.

For or on behalf of the Board

Date: 30th May, 2011
Place: Ahmedabad

sd/-
Nimish K. Patel
Chairman & Managing Director

Annual Report

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 31ST MARCH 2011.

[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



N.K. Industries Ltd.

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 31st March 2011 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	5	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	2	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	Mr. Jayesh D. Thakkar
Date of Birth	07-08-1955
Date of Appointment	01-04-2008
Expertise in specific functional areas	Administration and Corporate Strategy
List of Public Limited Companies in which Directorships held	Ganesh Housing Ltd.
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 31st March 2010, 13 Board Meetings were held on the following dates:

Sr. No.	Date of Board Meeting
1.	29th May, 2010
2.	7th August, 2010
3.	13th November, 2010
4.	12th February, 2011
7.	31st July, 2009

Annual Report

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 30th September, 2010
Mr. Nimish K. Patel	4	Present
Mr. Nilesh K. Patel	4	Present
Mr. Jayesh D. Thakkar	4	Present
Mr. Ashvin P. Patel	4	Present
Mr. Bharat J. Patel	4	Present
Mr. Maitray D. Patel	4	-

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 1st 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) Mr. Maitray D. Patel Dr. Bharat J. Patel	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 29-05-2010, 07-08-2010, 13-11-2010, & 12-02-2011

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 7th 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

(Per Annum)

Particulars	Nimish K. Patel (Chairman & Managing Director)	Nilesh K. Patel (Managing Director)	Ashvin C. Patel (Whole Time Director)
Salary	60,000	60,000	3,00,000
Commission	N.A.	N.A.	N.A.
Perquisites and other allowances	N.A.	N.A.	N.A.
Total	60,000	60,000	3,00,000

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



N.K. Industries Ltd.

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 31st March, 2011 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 31st March 2011.

6. General Body Meetings:

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

Date	Venue	Time
30-09-2008	7th Floor, Popular House, Ashram Road, Ahmedabad	10.00 A.M
30-09-2009	7th Floor, Popular House, Ashram Road, Ahmedabad	10.00 A.M.
30-09-2010	7th Floor, Popular House, Ashram Road, Ahmedabad	5.00 P.M.

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

Disclosures:

- 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.
- 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 : 30th September, 2011, Friday
Time : 4.00 p.m.
Venue : 7th floor, Popular House, Ashram Road,
Ahmedabad - 380009.

b. Financial Calendar : Financial year of the company is from 1st April to 31st March.

Adoption of Quarterly Results for the quarter ending :
June 30, 2011 Second week of August, 2011
September 30, 2011 Second week of Nov., 2011
December 31, 2011 Second week of Feb., 2012
March 31, 2012 Last week of May, 2012

c. Book Closure Date: 21st September, 2011 to 30th September, 2011 (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 2011-12 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

Annual Report

g. Share Price Data

The details of Stock Price Data during the period from 1st April, 2010 to 31st March, 2011 are submitted hereunder.

Month	BSE		Shares Traded (No.)
	High (Rs.)	Low (Rs.)	
April, 2010	40.70	30.00	1,15,982
May, 2010	41.55	31.10	1,11,904
June, 2010	47.00	33.00	1,28,293
July, 2010	55.70	41.10	2,90,215
August, 2010	55.50	51.85	1,60,201
September, 2010	76.20	52.50	5,28,088
October, 2010	71.30	59.00	1,78,485
November, 2010	74.00	62.50	1,28,188
December, 2010	89.25	70.00	2,15,147
January, 2011	96.25	82.30	1,14,302
February, 2011	86.15	64.15	52,617
March, 2011	82.25	65.40	34,343

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 31st March 2011:

Number of Shares	Shareholder		Number of Shares	
	Number	%	Number	%
0 - 500	4909	91.81	643589	10.71
501 - 1000	194	3.63	160481	2.67
1001 - 2000	108	2.02	168051	2.80
2001 - 3000	33	0.62	81093	1.35
3001 - 4000	15	0.28	53946	0.90
4001 - 5000	17	0.32	78763	1.31
5001 - 10000	26	0.49	189591	3.16
10001 and above	45	0.84	4634386	77.11
Total	5347	100.00	6009900	100.00

j. Shareholding Pattern:

Distribution of shareholding as on 31st March 2011:

	Category	No. of Shares Held	Percentage of Shareholding
A.	PROMOTER'S HOLDING		
1.	Promoters		
	-Indian Promoters	32,78,711	54.56
	-Foreign Promoters	--	--
2.	Persons acting in Concert	--	--
	Sub-Total	32,78,711	54.56
B.	NON-PROMOTERS HOLDING		
3.	Institutional Investors		
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



N.K. Industries Ltd.

4.	Others		
a.	Private Corporate Bodies	3,66,216	6.09
b.	Indian Public	23,53,966	39.17
c.	NRIs/OCBs	9,707	0.16
d.	Any other (please specify)	--	--
	Sub-Total	27,31,189	45.44
	GRAND TOTAL	60,09,900	100.00

k. Dematerialization of shares and liquidity:

81.45% of the paid - up capital has been dematerialized as on 31st March 2011.

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

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 : 7th 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.

For or on behalf of the Board

Date: 30th May, 2011
Place: Ahmedabad

sd/-
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 w.e.f. 1st April, 2011. 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.1239.00 (P.Y. Rs. 699.92) lacs. The production of Castor Oil including job work was 3,25,509 M.T as against 2,67,480 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.



N.K. Industries Ltd.

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 31st March 2011 and also the Profit and Loss Account 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, Profit and Loss Account & Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account & 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 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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. (Refer Note No.:5 of Schedule- 21)
b) Attention is invited to Note No. 8 to Schedule 21 regarding non provision of interest receivable on various advances amounting to Rs 1011.98 Lacs.
c) Balances of Secured Loans, 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 31st March, 2011 and
 - (b) in the case of the Profit and Loss Account, 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.

FOR CHANDULAL M. SHAH & CO.
Chartered Accountants
(FRNo.101698W)

Place : Ahmedabad
Dated : 30th May 2011

sd/-
(K.H.Vasavada)
Partner
M.No.: 12322

Annual Report

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 31st March 2011.

- (i) (a) The Fixed Assets Register is not maintained by the company.
(b) The Fixed Assets are not physically verified by the Management during the year. 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.798.09 lacs (P.Y.Rs. 978.44 lacs) and the year-end balance of such loan was Rs.798.09 lacs (P.Y. Rs. 912.84 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, the transactions referred to in section 301 of the Companies Act, 1956 made with the company in pursuance of such contracts or arrangements have been made at prices which are reasonable having regards to the prevailing market prices at the relevant time.
- (vi) The company has accepted deposit from one party though the net worth of the company is negative. This is not in conformity with the provisions of section 58A, 58AA or any other relevant provisions of Companies Act, 1956 and the rules made there under.
- (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 are informed that maintenance of cost records are not prescribed under section 209 (1)(d) of the Companies Act, 1956
- (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:



N.K. Industries Ltd.

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 (including interest upto 31/3/10)	Block Assessment from 1989 to 1999	Gujarat High Court
Guj. Sales Tax	Sales Tax	5285.83 (Net of payments)	F.Y. 1989-90, 90-91, 98-99 to 2001-02	Sales Tax Tribunal / Commercial Tax Officer

- (x) In our opinion, the accumulated losses of the company as on 31st March 2011 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. The Company had entered into compromise agreements under 'One Time Settlement' scheme with the banks (except Visnagar Nagarik Sahkari Bank Ltd.). All the banks are fully paid off as per the compromise settlements save and except M/s. Kotak Mahindra Bank Ltd to whom the balance amount of Rs. 461.59 lacs is due to be paid as on 31st March 2011. The company is repaying the compromised amount in monthly installments. The last installment will be due by the end of August,2011.
- (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.

Annual Report

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 31st March, 2011 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 : 30th May 2011

FOR CHANDULAL M. SHAH & CO.
Chartered Accountants

sd/-
(FRNo.101698W)
(K.H.Vasavada)
Partner
M.No.: 12322



N.K. Industries Ltd.

N.K. Industries Ltd. Balance Sheet As At 31st March 2011

	Schedule	As at 31.03.2011 (Rupees)	As at 31.03.2011 (Rupees)	As at 31.03.2010 (Rupees)	As at 31.03.2010 (Rupees)
(A) SOURCES OF FUND					
1. Shareholder's Funds					
a) Share Capital	1	6 00 99 000		6 00 99 000	
b) Reserves and Surplus	2	26 53 60 412	32 54 59 412	26 53 60 412	32 54 59 412
2. Loan Funds					
a) Secured Loans	3	4 74 91 403		9 60 04 174	
b) Unsecured Loans	4	23 77 068	4 98 68 471	2 62 14 124	12 22 18 298
3 Deferred Tax Liability (Net)					
			1 25 01 385		1 54 06 483
TOTAL			38 78 29 268		46 30 84 193
(B) APPLICATION OF FUNDS					
1. Fixed Assets					
a) Gross Block	5	56 28 81 345		53 02 76 719	
b) Less : Depreciation		43 66 24 634		41 82 45 051	
c) Net Block		12 62 56 711		11 20 31 668	
d) Capital work-in-progress		-	12 62 56 711	58 74 350	11 79 06 018
2. Investments					
	6		11 76 560		11 76 560
3 Current Assets & Loans & Advances					
a) Inventories	7	1 37 39 38 480		79 94 98 896	
b) Sundry Debtors	8	4 42 22 68 547		1 02 82 16 532	
c) Cash & Bank Balances	9	2 83 47 565		3 62 42 279	
d) Loans & Advances	10	35 04 39 342		22 15 11 047	
		6 17 49 93 934		2 08 54 68 755	
Less : Current Liabilities & Provisions					
a) Current Liabilities	11	6 56 16 35 538		2 25 41 11 179	
b) Provisions	12	2 21 29 243		3 53 62 121	
		6 58 37 64 781		2 28 94 73 300	
Net Current Assets			(40 87 70 848)		(20 40 04 545)
4 Profit & Loss Account					
			66 91 66 844		54 80 06 160
TOTAL			38 78 29 268		46 30 84 193
Notes forming part of Accounts					
	22				

As per our report of even date attached
For, Chandulal M. Shah & Company
Chartered Accountants
(Firm No. 101698W)

sd/-

Partner
K.H.Vasavada
M. No 12322

Place:- Ahmedabad
Date :- 30th May, 2011

For, N. K. INDUSTRIES LIMITED

- Sd/ -
Nimish K. Patel
Chairman & Managing Director

- sd/ -
Nilesh K. Patel
Managing Director

- sd/ -
Jayesh D. Thakker
Director

Place:- Ahmedabad
Date :- 30th May, 2011

Annual Report

N.K.Industries Ltd. Profit & Loss Account for the year ended on 31st March 2010

	Sche dule	For the year ended on 31.03.2011 (Rupees)	For the year ended on 31.03.2011 (Rupees)	For the year ended on 31.03.2010 (Rupees)	For the year ended on 31.03.2010 (Rupees)
(A) INCOME					
1					
Gross Income from operations	13	21 78 17 35 888		7 08 15 35 700	
Less :- Value Added Tax		45 45 17 705		2 04 47 530	
Less :- Excise Duty		11 48 869		59 38 970	
Net sales			21 32 60 69 314		7 05 51 49 200
2					
Job work Charges Received			-		1 15 54 945
3					
Other Income	14		2 53 35 304		4 30 27 583
TOTAL			21 35 14 04 618		7 10 97 31 727
(B) EXPENDITURE					
1					
Material consumed	15		11 49 81 53 098		6 62 39 52 668
2					
Purchase of Finished Goods	16		9 60 92 19 986		28 78 75 299
3					
Manufacturing & Other Expenses	17		23 55 99 019		14 70 29 438
4					
Employee Costs	18		2 12 81 590		1 44 53 521
5					
Administrative & Selling Expenses	19		7 57 07 012		6 60 29 578
6					
Interest & Finance Charges	20		1 69 64 105		2 16 91 526
7					
Depreciation			1 83 79 582		1 86 91 988
TOTAL			21 47 53 04 393		7 17 97 24 019
(C) Profit / (Loss) before Taxation			(12 38 99 776)		(6 99 92 291)
(D) Provision for Taxation - Current tax			(3 92 386)		-
- FBT			-		46 553
- Deferred tax-Current Year			(29 05 098)		11 11 377
(E) Profit/ (Loss) after Tax			(32 97 484)		11 57 930
(F) Prior Period Adjustment	21		5 53 393		(12 73 783)
(G) Profit/ (Loss) for the year			(12 11 55 685)		(6 98 76 438)
(H) Balance brought forward from Previous Year			(54 80 11 160)		(47 81 29 722)
Balance Carried to General Reserve / Balance Sheet			(66 91 66 844)		(54 80 06 160)
Earning per share Basic & Diluted (Price per Share Rs. 10 each)			(20.16)		(11.63)
Notes forming part of Accounts	22				

As per our report of even date attached
For, Chandulal M. Shah & Company
Chartered Accountants
(Firm No. 101698W)

sd/-
Partner
K.H.Vasavada
M. No 12322

Place:- Ahmedabad
Date :- 30th May, 2011

For, N. K. INDUSTRIES LIMITED

- Sd/ -
Nimish K. Patel
Chairman & Managing Director

Place:- Ahmedabad
Date :- 30th May, 2011

- Sd/ -
Nilesh K. Patel
Managing Director

- Sd/ -
Jayesh D. Thakker
Director



N.K. Industries Ltd.

N.K. Industries Ltd. SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31-03-2011 (Rupees)	As at 31-03-2010 (Rupees)
SCHEDULE-1 SHARE CAPITAL		
AUTHORISED:		
2,50,00,000 Equity Shares of Rs.10/- each	25 00 00 000	25,00 00 000
5,00,000 Preference Shares of Rs.100/- each	5 00 00 000	5 00 00 000
Issued, Subscribed & Paid up Capital:		
EQUITY SHARE CAPITAL	6 00 99 000	6 00 99 000
6009900 Equity Shares of Rs.10/- each fully paid up (Out of the above 1800030 Equity Shares were issued as fully paid up Bonus Shares)		
TOTAL	6 00 99 000	6 00 99 000
SCHEDULE-2 RESERVES & SURPLUS		
CAPITAL RESERVE		
Balance as per last balance sheet		
CENTRAL GOVT. CASH SUB. RECEIVED.	12 24 592	12 24 592
STATE GOVERNMENT CASH SUBSIDY RECEIVED	18 72 464	18 72 464
WAIVER OF PRINCIPAL AMT.OF BANK		
Balance as per last balance sheet	17 09 28 283	11 72 91 468
Add: Waiver of Principal Amount of ICD	-	5 36 36 815
	17 40 25 339	17 40 25 339
INVT.ALLOW.(UTILISED) GENERAL RESERVES	10 38 073	10 38 073
SECURITY PREMIUM ACCOUNT	9 02 97 000	9 02 97 000
TOTAL	26 53 60 412	26 53 60 412
SCHEDULE-3 SECURED LOANS		
LOANS AGAINST IMPORT DOCUMENT		
(Secured Against pledge/Hypothecation of Imported Material)		
KOTAK MAHINDRA BANK LTD	4 61 58 777	9 57 38 915
VEHICLE LOANS		
(Secured against Hypothecation of Vehicles)		
HDFC BANK LOAN	9 18 750	-
SUNDRAM FINANCE LTD	2 60 453	-
SUNDRAM FINANCE LTD	1 53 423	2 65 259
	13 32 626	2 65 259
TOTAL	4 74 91 403	9 60 04 174
SCHEDULE-4 UNSECURED LOANS		
FROM MEMBERS	-	35 49 127
FROM COMPANIES INTER CORPORATE	-	56 52 382
FROM OTHERS	23 77 068	1 70 12 616
TOTAL	23 77 068	2 62 14 124

N.K. Industries Ltd.
SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE : 5 : FIXED ASSETS

Sr. No.	Particulars of Assets	Gross Block (At Cost)				Depreciation				Net Block	
		Opening Balance as at 01.04.2009	Additions During the Year	Sale / Adjustments During the Year	Total as at 31.03.2011	Upto 31.03.2010	For the Year	Sale / Adjustments During the Year	Total as at 31.03.2011	As at 31.03.2011	As at 31.03.2010
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Freehold Land	33 90 352	-	-	33 90 352	-	-	-	-	33 90 352	33 90 352
2	Building	10 34 78 024	42 09 347	-	10 76 87 371	33 57 834	-	-	4 36 82 111	6 40 05 260	6 31 53 747
3	Plant and Machinery	40 53 71 569	2 33 42 868	-	42 87 14 436	1 36 51 994	-	-	37 86 83 223	5 00 31 213	4 03 40 340
4	Office Equipments	89 48 412	21 61 767	-	1 11 10 180	8 29 935	-	-	65 37 011	45 73 169	32 41 337
5	Furniture and Fixtures	46 45 497	5 61 798	-	52 07 295	3 08 279	-	-	35 48 743	16 58 552	14 05 033
6	Vehicles	44 42 865	23 28 845	-	67 71 710	2 31 539	-	-	41 73 546	25 98 165	5 00 859
	TOTAL-31-03-2011	53 02 76 719	3 26 04 625	-	56 28 81 345	1 83 79 582	-	-	43 66 24 634	12 62 56 711	11 20 31 668
	TOTAL-31-03-2010	51 86 79 101	1 15 97 618	-	53 02 76 719	1 86 91 988	-	-	41 82 45 051	11 20 31 668	11 91 26 038
	Capital Work In Progress										58 74 350
											TOTAL --->
											12 62 56 711
											11 79 06 018



N.K. Industries Ltd.

N.K. Industries Ltd. SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31-03-2011 (Rupees)	As at 31-03-2010 (Rupees)
SCHEDULE-6 INVESTMENT		
QUOTED		
10000 Equity Shares of Hytaisun Magnetics Ltd. Of Rs.10/- each fully paid up.	1 00 000	1 00 000
350000 Equity Shares of Ficon Lease & Finance Ltd. Of Rs.10/- each fully paid up.	35 00 000	35 00 000
100000 Equity Shares of Accurate Exports Ltd. Of Rs.10/- each fully paid up.	10 00 000	10 00 000
	46 00 000	46 00 000
Provision for Diminution in Value	- 46 00 000	- 46 00 000
MARKET VALUE OF QUOTED INVESTMENT		
	-	-
UNQUOTED		
6 Equity Shares of Kalupur Comm. Bank of Rs.10/- fully paid up.	60	60
128000 Equity Shares of Visnagar Nagrik Sahkari Bank Ltd. of Rs.25/- each fully paid up	35 15 000	35 15 000
56500 Equity Shares of Ahmedabad Commodity Exchange Ltd of Rs.20.50 each fully paid up	11 53 000	11 53 000
National Saving Certificate	23 500	23 500
	46 91 560	46 91 560
Provision for Diminution in Value	- 35 15 000	- 35 15 000
	11 76 560	11 76 560
TOTAL	11 76 560	11 76 560
SCHEDULE-7 INVENTORIES		
Raw Materials	111 07 72 553	60 12 90 437
Finished Goods	20 28 06 295	17 70 88 141
Stores	1 04 95 509	84 00 036
Packing Material	4 09 59 157	95 11 050
Chemicals	89 04 966	32 09 232
TOTAL	137 39 38 480	79 94 98 896
SCHEDULE-8 DEBTORS		
(Un Secured)		
Debts outstanding for a period Exceeding six months		
-Considered Goods	9 33 73 139	67 97 81 119
-Considered Doubtful	35 28 94 638	35 28 94 638
	44 62 67 777	103 26 75 756
Debts outstanding for a less than six months (Includes Rs.15823.82 (P.Y.6360.45) lacs due from Company under the same management)	432 88 95 408	34 84 35 414
	477 51 63 185	138 11 11 170
Less: Provison for Doubtful debts	-35 28 94 638	-35 28 94 638
TOTAL	442 22 68 547	102 82 16 532

Annual Report

N.K.Industries Ltd. SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31-03-2011 (Rupees)	As at 31-03-2010 (Rupees)
SCHEDULE-9 CASH & BANK BALANCES		
Cash on Hand	97 38 383	24 83 152
Balance with Schedule Banks	1 86 09 181	3 37 59 127
TOTAL	2 83 47 565	3 62 42 279
SCHEDULE-10 LOANS AND ADVANCES		
(Unsecured, Considered Goods)		
Advance Receivable in Cash or in Kind or for Value to be received (Includes Doubtful Advances of Rs 1011.98 Lacs (P.Y. Rs.813.74Lacs)	38 60 89 086	27 12 86 179
Advance to Suppliers (Includes Doubtful Advances of Rs.128.07 Lacs (P.Y. Rs.86.39 Lacs)	4 54 90 849	3 23 90 100
Provison for Doubtful Advances	43 15 79 935	30 36 76 280
	-8 11 40 593	-8 21 65 232
TOTAL	35 04 39 342	22 15 11 047
SCHEDULE-11 CURRENT LIABILITIES		
Creditors for Goods & Expenses	595 26 48 610	222 50 55 103
Advance from Customers	60 40 32 538	2 56 80 674
Other Liabilities	49 54 390	33 75 402
TOTAL	656 16 35 538	225 41 11 179
SCHEDULE-12 PROVISIONS		
Gratuity	40 08 670	25 72 544
Income Tax Provision F.Y.2007-2008	-	70 22 716
Income Tax Provision F.Y.2008-2009	-	21 00 000
Income Tax Provision (Block Assessment)	25 93 291	71 43 291
Interest Payable on Income Tax Block Assessment	1 47 58 294	1 47 58 294
Loss on unexpired Future Contract	-	11 43 888
Leave Encashment	7 68 988	6 21 388
TOTAL	2 21 29 243	3 53 62 121



N.K. Industries Ltd.

N.K. Industries Ltd. SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	For the Year ended on 31-03-2011 (Rupees)	For the Year ended on 31-03-2010 (Rupees)
SCHEDULE-13 SALES		
Commercial Castor Oil	42 03 44 104	9 71 26 594
Castor D Oil Cake	69 15 32 658	38 60 62 043
FSG Castor Oil	1503 77 84 728	635 77 52 570
PP Castor Oil	9 65 12 523	2 44 33 982
HCO	15 71 51 661	9 76 64 997
Cotton Wash Oil	467 04 18 546	-
12 Hydroxy Stearic Acid	25 23 25 095	9 21 09 014
TOTAL	2132 60 69 314	705 51 49 200
SCHEDULE-14 OTHER INCOME		
Hire Charges	1 20 000	1 11 000
Dividend Income	200	710
Interest from Others	98 02 826	41 17 305
Miscellaneous Income	38 490	1 23 734
Miscellaneous Sales	63 28 210	14 93 349
Export Benefit	11 40 877	66 86 732
Labour Charges Recovered	-	15 68 235
Insurance claim Recovered	4 75 850	20 47 837
Speculation Profit	57 29 856	-
Foreign Fluctuation Exchanges	-	31 35 602
Doubtful Advances Recovered	-	51 98 018
Settlement Charges	13 07 429	1 62 43 921
Interest from Bank	-	1 43 718
Sundry Credit Balance Written Off	3 91 566	21 57 422
TOTAL	2 53 35 304	4 30 27 583
SCHEDULE-15 MATERIAL CONSUMED		
A) Raw Material :		
Opening Stock of Castor Seed	59 58 14 837	-
Add: Purchase Castor Seed During the Year	2564 32 45 951	1144 97 93 283
	2623 90 60 788	1144 97 93 283
Less: Castor Seed Sold During the Year	1389 09 75 522	405 18 46 941
Less: Closing Stock of Castor Seed	109 95 25 370	59 58 14 837
Sub Total (A)	1124 85 59 896	680 21 31 505
B) Raw Material :		
Opening Stock of Castor Oil Cake	54 75 600	-
Purchases of Castor Oil Cake	28 10 82 940	5 58 471
	28 65 58 540	5 58 471
Less: Closing Stock of Castor Oil Cake	1 12 47 183	54 75 600
Sub Total (B)	27 53 11 357	- 49 17 130
Sub Total (A+B)	1152 38 71 253	679 72 14 375

Annual Report

N.K.Industries Ltd. SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	For the Year ended on 31-03-2011 (Rupees)	For the Year ended on 31-03-2010 (Rupees)
INCREASE / (DECREASE) IN STOCKS		
A) Closing Stocks		
- Finished Goods	20 28 06 295	17 70 88 141
Sub-Total (C)	20 28 06 295	17 70 88 141
B) Opening Stocks		
- Finished Goods	17 70 88 141	38 26 433
Sub-Total (D)	17 70 88 141	38 26 433
INCREASE / (DECREASE) IN STOCKS	-2 57 18 154	-17 32 61 708
TOTAL (A+B-C+D)	1149 81 53 098	662 39 52 668
SCHEDULE-16 PURCHASE OF FINISHED GOODS		
Purchase of Castor Oil	34 55 09 560	12 08 33 247
Purchase of FSG Oil	451 63 43 635	15 05 05 027
Purchase of HCO	-	1 44 18 500
Purchase of Castor De Oil Cake	-	21 18 525
Purchase of Cotton Wash Oil	474 73 66 791	-
TOTAL	960 92 19 986	28 78 75 299
SCHEDULE -17 MANUFACTURING & OTHER EXPENSES		
A) Stores Consumed		
Opening Stock of Stores	84 00 036	70 01 075
Add: Purchase of Stores During the Year	1 91 39 877	1 09 40 529
	2 75 39 913	1 79 41 604
Less: Closing Stock of Stores	1 04 95 509	84 00 036
Sub Total (A)	1 70 44 404	95 41 568
B) Chemical Consumed		
Opening Stock of Chemicals	32 09 232	17 78 476
Add: Purchase of Chemicals During the Year	7 59 41 301	5 58 54 608
	7 91 50 533	5 76 33 084
Less: Closing Stock of Chemicals	89 04 966	32 09 232
Sub Total (B)	7 02 45 567	5 44 23 852
C) Packing Material Consumed		
Opening Stock of Packing Material	95 11 050	-
Add: Purchase of Packing Material During the Year	2 07 47 115	1 75 66 112
	3 02 58 165	1 75 66 112
Less: Packing Material Recovered/Sold During the year	4 88 64 667	4 67 00 191
Less: Closing Stock of Packing Material	4 09 59 157	95 11 050
Sub Total (C)	-5 95 65 659	-3 86 45 129
D) Other Manufacturing Expenses		
Factory Miscellaneous Expenses	73 74 516	66 97 055
Insurance	12 25 033	21 47 451
Job Work Expenses	8 90 51 108	84 58 400
Laboratory Expenses	30 28 163	2 27 890
License Fees	13 320	51 265
Brokerage & Dalali on Purchase	38 92 902	28 81 138
Power & Fuel Consumed	6 19 96 391	6 29 95 087
Production Incentives	64 76 791	49 31 430
Repairs & Maintenance (Plant & Machinery)	52 86 430	64 00 175
Wages to Workers	1 04 49 399	92 94 766
Wages Through Contractor	1 90 80 653	1 76 24 490
Sub Total (D)	20 78 74 707	12 17 09 148
TOTAL (A) to (D)	23 55 99 019	14 70 29 438



N.K. Industries Ltd.

N.K. Industries Ltd. SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	For the Year ended on 31-03-2011 (Rupees)	For the Year ended on 31-03-2010 (Rupees)
SCHEDULE -18 EMPLOYEE COSTS		
Salaries, Wages, Bonus and Allowances	1 80 11 118	1 20 03 430
Contribution to Provident, FPF and Other Funds	20 27 506	16 66 292
Staff Welfare	8 22 966	4 83 799
Director's Remuneration	4 20 000	3 00 000
TOTAL	2 12 81 590	1 44 53 521
SCHEDULE - 19 ADMINISTRATIVE AND SELLING EXPENSES		
A) Administrative Expenses		
Auditor's Remuneration	5 51 500	5 51 500
Bad Debts Expenses	5 95 923	-
Communication Expenses	7 01 935	6 53 404
Computer Repairs & Maintenance Expenses	2 97 188	1 55 896
Conveyance Expenses	4 13 752	3 17 870
Custom Duty Expenses	-	54 24 114
Donations	1 17 846	11 201
Excise Expenses	92 700	-
Loss from Future & Option	1 21 03 101	27 66 997
Loss on unexpired Future Contract	-	11 43 888
Kasar Account	- 50 886	- 11 465
Legal and Professional Fees	48 83 072	29 30 296
Office Miscellaneous Expenses	28 02 990	12 38 446
Municipal Tax	2 58 958	63 690
Postage & Telegram Expenses	96 392	50 810
Rent, Rates & Taxes	1 34 07 844	83 67 423
Repairs & Maintenance others	33 06 249	50 84 828
Secretarial Work & Filing Expenses	1 56 521	97 896
Security Expenses	44 93 634	18 45 906
Stationery & Printing Expenses	4 06 787	3 46 053
Travelling Expenses - Directors	14 14 190	15 62 960
Travelling Expenses - Others	12 02 504	4 67 983
Website Hosting Charges	18 730	-
Vehicle Expenses	12 78 843	10 36 688
Sub Total (A)	4 85 49 772	3 41 06 383
B) Selling Expenses		
Advertising Expenses	8 76 150	17 240
Clearing & Forwarding Charges	53 86 374	96 61 670
Dalali & Brokerage Expenses	23 150	3 76 777
Vat/Sales Tax Expenses	19 58 135	10 300
Survey Expenses	-	12 818
Seminar Expense	1 85 770	-
Outward Freight Charges-Local	1 87 27 661	2 18 44 390
Sub Total (B)	2 71 57 240	3 19 23 195
TOTAL (A)+(B)	7 57 07 012	6 60 29 578

Annual Report

N.K.Industries Ltd. SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	For the Year ended on 31-03-2011 (Rupees)	For the Year ended on 31-03-2010 (Rupees)
SCHEDULE - 20 FINANCIAL CHARGES		
Bank Commission & Charges	1 41 234	5 10 456
Financial Charges	8 585	7 500
Interest paid to Bank	76 77 772	1 55 92 908
Interest paid to Others	91 36 515	55 80 663
TOTAL	1 69 64 105	2 16 91 526
SCHEDULE - 21 PRIOR PERIOD EXPENSES		
Brokerage & Dalali Expenses	4 565	4 530
Clearing & Forwarding Charges	1 33 279	8 877
Communication Expenses	8 300	2 030
Factory Miscellaneous Expenses	49 635	22 119
Freight Charges	95 551	48 000
Legal & Professional Fees	-	62 176
Loading & Unloading Expenses	-	3 285
Office Miscellaneous Expenses	1 967	6 645
Post & Courier	938	-
Purchase Chemicals (Excise Cenvate)	-	-17 72 810
Purchase Packing Material	9 546	3 200
Repairs & Manitenance (P&M)	2 33 339	2 34 764
Salary A/c	12 630	13 460
Insurance exp	3 643	-
Stationery & Printing Expenses	-	386
Vehicle Repairs Expenses	-	3 303
Wages to Workers	-	86 252
Sub Total (C)	5 53 393	- 12 73 783



N.K. Industries Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED on 31st March, 2010

(Rs. In Lacs)

Particulars	As at 31.03.2011 (Rupees)	As at 31.03.2011 (Rupees)	As at 31.03.2010 (Rupees)	As at 31.03.2010 (Rupees)
Cash Flow Operating Activities:				
Net Profit After Tax and Extra Ordinary Items (Note No.1)		(1,244.53)		(150.82)
Adjustment for :				
Depreciation		183.80		186.92
Interest Charged P&L a/c		169.64		216.92
Profit On Sale Of Assets				
		(891.09)		253.02
Adjustment for :				
Trade and other receivables (Note 6)	(35,229.80)		(10,968.64)	
Inventories	(5,744.40)		(7,868.93)	
Trade Payable (Note 7)	42,942.91	1,968.67	20,686.88	1,849.31
Cash Generated from operating Activities		1,077.57		2,102.33
Less: Income Tax Paid (Note 9)		(3.92)		0.47
Cash flow before extra ordinary item		1,081.49		2,101.86
Extra Ordinary Item		-		-
Net Cash Flow from operating Activities		1,081.49		2,101.86
Cash Flow From Investing Activities:				
Purchase of Fixed Assets (Note 2)	(267.30)		(158.88)	
Sale of Fixed Assets (Note 3)	-		-	
Capital WIP (Transfer to Assets)	-		-	
Purchase/Sale of Investments (Note 4)	-	(267.30)	(11.52)	(170.40)
Net Cash Flow from Investing Activities		(267.30)		(170.40)
Cash Flow From Financing Activities:				
Proceeds from Borrowing (Note 8)	(723.50)		(1,357.65)	
Interest Paid	(169.64)		(216.92)	
Net Cash used in Financial Activities		(893.14)		(1,574.57)
Net increase/(decrease) in cash and cash equivalents		(78.95)		356.90
Cash & Cash equivalent as at 01st April		362.42		5.52
Cash & Cash equivalent as at 31st March		283.48		362.42
		(78.95)		356.90

As per our report of even date attached
For, Chandulal M. Shah & Company
Chartered Accountants
(Firm No. 101698W)

sd/-
Partner
K.H. Vasavada
M. No 12322

Place:- Ahmedabad
Date :- 30th May, 2011

For, N. K. INDUSTRIES LIMITED

- Sd/ -
Nimish K. Patel
Chairman & Managing Director

- Sd/ -
Nilesh K. Patel
Managing Director

- Sd/ -
Jayesh D. Thakker
Director

Place:- Ahmedabad
Date :- 30th May, 2011

SCHEDULE -22

NOTES FORMING PART OF ACCOUNTS:

1 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 historical cost 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.

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.

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 realizable 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.



N.K. Industries Ltd.

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. 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 may be) 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.

Annual Report

2. Notes to accounts

(Rupees in Lacs)

	31.03.2011	31.03.2010
1. Contingent liabilities & provisions		
Contingent Liabilities		
a. Claims against the Company, not acknowledged as debts (including interest and penalty)		
- Sales tax	5285.83	4460.59
- Other Claims (without considering interest liability)	1333.31	1333.31
- Various Suits filed by banks and others	PI See Note No.5 below*	PI See Note No.5 below*
b. Winding up petition pending against the company filed by Vemag Engg. Pvt. Ltd. for recovery of dues	17.38	9.07
c. Storage Rent in respect of earlier year for storage of Oil	Not Ascertainable	Not Ascertainable

2. Earnings per share (par value of Rs. 10 each)

(Rupees in Lacs)

	31.03.2011	31.03.2010
Profit after taxation (after extra ordinary items)	(1211.56)	(698.76)
Weighted average number of equity shares	6009900	6009900
Earnings per share on profit after taxation	(20.16)	(11.63)
-Basic and diluted earnings (in Rs) per share		

- 3 The Company has paid off the entire amount to The Visnagar Nagrik Sahkari Bank Ltd. (Under Liquidation) as per the Hon'ble High Court of Gujarat and Session Court's order leaving a part of interest for which the one Time Settlement proposal has been submitted to the bank in terms of the State Government's OTS scheme. It is put up to the High Power Committee of the Government to approve the proposal submitted by the bank. On approval, interest shall be paid in twelve monthly installments as per the OTS scheme.
- 4 The finished goods lying in Hindustan Organics Pvt Ltd (H.O.P.) tanks at Kandla Port were disposed of by the lead bank, Bank of Baroda as per the court's order. The sale proceeds of Rs 2, 29, 62,260 were deposited in the Central Bank of India in view of H.O.P.'s Claim on the said amount on account of rent. This deposit was renewed from time to time, by Bank of Baroda for Rs. 4,07,00,000. No interest is provided in view of counter claim of H.O.P. Since the consortium banks have been paid of fully, the company is entitled to the said amount subject to H.O.P.'s claim for which purshis were filed before the Office of the Recovery Officer, Debts Recovery Tribunal advising that the company has settled the dues of all the banks as per the compromise settlements. No Due Certificates issued by the banks also submitted. Now, as appeal is being filed in DRT to release the money deposited in the Central Bank of India with the necessary interest.
- 5 The Company was declared a Sick Industrial unit by BIFR by an order dated 09.07.1999. Later on, Letters of Patent was filed in the Division Bench of the Gujarat High Court. While granting stay of AAIFR's order, it directed BIFR to submit whether the management of the company committed any malfeasance or misfeasance as per section 24 of SICA. During the proceedings, the company entered into the compromise settlements with all the secured creditors and paid off their dues leaving apart M/s. Kotak Mahindra Bank Limited whom the monthly installments are being paid as per the consent terms. The last installment is due in August-2011.
- In view of the above factual position, the Gujarat High Court permitted us to withdraw the above LPA. Interim orders/ directions passed in the Appeal stand vacated. BIFR was informed of the above development and it has, therefore, stopped hearings under section 24 of SICA. Our first reference No. 35/1999 has been disposed off. However, further pending references are now to be considered by BIFR in its next hearing to consider registration of the company as a sick industrial unit.
- 6 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 for 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



N.K. Industries Ltd.

interest payable if any, on the outstanding demand for the period from 1st April, 2005 till date as company is hopeful of getting favorable order from the High Court.

- 7 The Company has launched a Special Purpose Vehicle (SPV) in the name of M/s. AWN Agro Private Limited in collaboration with M/s. Adani Willmar Limited during the current financial year 2011-12. Both the companies will transfer their Castor Plants to SPV so that the later can conduct the castor business international and domestic. There shall be share holding on 50:50 basis. Till the castor plants are transferred, both the companies will enter into Lease Agreement (Dry) on payment of lease rent of Rs. 50Lacs per month by M/s. AWN Agro Private Ltd. The necessary approvals are being sought from the concerned Authorities and stake holders.
- 8 No provision is made during the year for interest receivable on various advances amounting to Rs.1011.98 Lacs (P.Y. Rs.821.65) as the same are considered doubtful.
- 9 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.
- 10 Related Party Disclosure as per AS-18 is,

Associate firm / Company

N.K.Proteins Ltd.
N.K.Roadways Pvt.Ltd.
N.K.Oil Mills Pvt.Ltd.
Tirupati Proteins Pvt.Ltd.
Tirupati Retails Pvt. Ltd.

Shanti Stock Holdings P.Ltd.
N.K.Infraventures P.Ltd
N.K.Corporation
N.K Flour Mills Ltd.
Adrenal Advertising & Promotions Pvt. Ltd.

Key Managerial personnel

Nimish K. Patel

Ashwin P. Patel

Nilesh K. Patel

Rajiv M. Todi, Manager

Relatives of Key Managerial personnel

Sonal N. Patel

Neela A. Patel

Ashita N. Patel

Suchita R. Todi

Balances Receivable / (Payable) from / to related parties

Name of the Party	31-03-2011	31-03-2010
N.K.Proteins Ltd.	6013.21	3365.06
N.K.Roadways Pvt.Ltd.	275.93	312.60
Shanti Stock Holdings P.Ltd.	56.46	49.99
N.K.Infraventures Pvt. Ltd.	42.99	39.81
N.K.Oil Mills Pvt.Ltd	196.42	(23.25)
N.K.Corporation	(32882.48)	(16889.22)
N.K Flour Mills Ltd.	502.22	502.20
Tirupati Proteins Pvt.Ltd.	9810.61	2966.90
Nimish K. Patel	-	(2.68)
Nilesh K. Patel	-	(32.82)
Ashwin P. Patel	-	0.20
Rajiv M. Todi, Manager	8.01	13.21

Transaction with related parties

Rs. In lacs

Transaction	31.03.2011	31.03.2010
Purchases/ Services		
N.K.Corporation	160265.60	28156.27
N. K. Proteins Ltd.	14268.09	4706.41
N.K.Roadways Pvt.Ltd.	3.39	10.16
Tirupati Proteins Pvt.Ltd.	806.58	20488.59

Annual Report

Sales		
Tirupati Proteins Pvt.Ltd.	14402.42	16011.58
N.K.Corporation	0.16	0.08
N.K.Proteins Ltd.	151726.66	39195.88
Loans Given		
N.K Flour Mills Ltd.	0.02	13.40
N.K Infraventures Pvt. Ltd.	3.18	0.00
N.K.Roadways Pvt.Ltd.	0.00	300.00
N.K.Oil Mills Pvt.Ltd	219.66	307.48
Shanti Stock Holdings Pvt.Ltd.	6.48	0.63
Loans Taken / Repaid		
N.K.Infraventures Pvt. Ltd.	-	65.32
N.K.Oil Mills Pvt.Ltd	-	-
Job Work Charges Received		
N.K.Proteins Ltd.	-	115.55
Hire Charges Received		
N.K.Roadways Pvt.Ltd.	1.20	1.11
Remuneration		
Nimish K. Patel	0.60	0.60
Nilesh K. Patel	0.60	0.60
Ashwin P. Patel	3.00	3.00
Rajiv M. Todi, Manager	19.36	7.69

11 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:

Rs. in Lacs	31-3-11	31-3-10
Employer's Contribution to Provident Fund / Employee's Pension Fund	20.28	16.66

The above amounts are included in Contribution to Provident and Other Funds and (Schedule - 18)

II. Defined Benefit Plans:

(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:

Rupees in Lacs

	Gratuity [Non-Funded Scheme]		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Defined Benefit Obligation as at 01.04.2010	25.73	21.89	6.21	2.91
Current Service Cost	4.57	3.30	2.61	3.77
Interest Cost	2.08	1.80	0.50	0.24
Benefits Paid	(0.58)	(1.26)	(0.16)	(0.63)
Actuarial (gain) / loss on Obligations	8.30	0.00	(1.47)	(0.07)
Defined Benefit Obligation as at 31.03.2011	40.09	25.72	7.69	6.21



N.K. Industries Ltd.

(B) Amount recognized in the Balance Sheet:

Rupees in Lacs

	Gratuity [Non-Funded Scheme]		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Defined Benefit Obligation as at 31.03.2010	40.09	25.72	7.69	6.21
Fair Value of Plan Assets as at 31.03.2010	-	-	-	-
Liability / (Asset) recognized in the Balance Sheet included in Current Liabilities and Provisions	40.09	25.72	7.69	6.21

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

Rupees in Lacs

	Gratuity [Non-Funded Scheme]		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Current Service Cost	4.57	3.30	2.61	3.77
Interest Cost	2.08	1.80	0.50	0.24
Net actuarial (gain) / loss recognized in the period	8.30	(1.26)	(1.47)	(0.07)
Total Expenses recognized in the P & L Account included in Contribution to Provident and Other Funds	14.95	3.83	1.63	3.94

(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 :

	31.03.2011	31.03.2010
(a) Discount rate [per annum]	8.09%	8.20%
(b) Expected Retirement age of employees [years]	58Years	58Years
(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.		

12 Deferred tax:

Deferred tax (liability)/asset	31.03.11	31.03.10
-Excess of depreciation allowed under income-tax act over depreciation as per books	(13977681)	(16393408)
-Expenditure disallowed under section 40(A)(7) / 43B of Income Tax Act	1476296	986925
- Unabsorbed Loss / Depreciation as per Income Tax Act.	-	-
Deferred tax (liability)/asset	(12501385)	(15406483)

13 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.

14 Managerial Remuneration:

Particulars	31.03.2011 Rs.	31.03.2010 Rs.
Salary & Allowances	4.20	4.20
Contribution to PF	0.36	0.36
Total	4.56	4.56

Annual Report

- 15 Balances of Financial Institution, Sundry Debtors, Creditors and Loans & Advances are subject to Confirmation by them & reconciliation if any.
- 16 Advances include Rs. 1074.02 lacs (P.Y. Rs.912.84 lacs) due from companies and other Parties in which directors are interested/related.
- 17 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.4.36Lacs
- 18 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.

19 Prior period comparatives

Previous year figures have been regrouped/ rearranged wherever necessary to conform to current year's presentation.

20 Quantitative Details as required by Part II to Schedule VI to the Companies Act, 1956 are as under:

(A) Licensed Capacity and Installed Capacity (quantity in M.T.)

Description	License Capacity		Installed Capacity	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Castor Seed Crushing	N.A.	N.A.	240000	240000

(B) Turnover (P.Y. Job work):

Description	31.03.2011		31.03.2010	
	Qty.(MT)	Rs. in Lacs	Qty.(MT)	Rs. in Lacs
Non- Edible Oil				
Commercial Castor Oil	1625	4203.44	1748	971.27
Castor Oil (Job work)	-	-	-	-
Castor Doc *	188559	6915.33	128382	3860.62
Castor Doc (Job work)	-	-	-	-
FSG	192139	150377.85	120807	63577.53
Pale press Castor oil	1166	965.13	419	244.34
HCO	1671	1571.52	1689	976.65
12HSA	2620	2523.25	1294	921.09
Edible Oil				
Ground Nut Oil	-	-	-	-
G.N. Doc	-	-	-	-
Cotton Wash Oil	90080	46704.19	-	-
TOTAL	477860	213260.69	254339	70551.49

* Includes 13995.880 Mt (P.Y. 17444.508Mt.) Doc used as fuel in Boiler

(C) Production (Quantity in M.T.)

Description	31.03.2011 Qty.(MT)	31.03.2010 Qty.(MT)
Non- Edible Oil		
Castor Oil *	142316	121400
Castor Cake *	-	-
Castor DOC	180509	145081
12HSA	2684	998
Edible Oil		
Ground Nut Oil	-	-
G.N. Doc	-	-



N.K. Industries Ltd.

Description	31.03.2011 Qty.(MT)	31.03.2010 Qty.(MT)
Cotton Seed Cake	-	-
TOTAL	325509	267480

(D) Purchase of Finished Goods :

Description	31.03.2011		31.03.2010	
	Qty.(MT)	Rs. in Lacs	Qty.(MT)	Rs. in Lacs
Castor Doc *	-	-	572	21.19
Castor Cake	-	-	-	-
Castor Commercial Oil	4363	3455.10	2343	1183.80
12HSA Castor oil	-	-	276	185.31
Castor FSG Oil	49281	45163.44	2902	1489.69
Edible Oil				
Cotton Wash Oil	90080	47473.67	-	-
TOTAL	143724	96092.20	6093	2879.98

* Consumed as fuel in boiler Nil M.T. (P.Y. 17.445 MT) Nil M.T. (P.Y.571.816 M.T.) out of purchase

(F) Opening & Closing Stock of Goods (Quantity in M.T.)

Description	Opening Stock		Closing Stock	
	01.04.2010	01.04.2009	31.03.2011	31.03.2010
Non- Edible Oil				
12HSA	47	67	111	47
Castor Cake	-	-	-	-
Commercial Castor Oil	500	-	182	500
FSG Castor Oil	1414	-	1042	1414
HCO Castor Oil	69	-	119	69
Castor D Oil Cake	17271	-	9221	17271
TOTAL	19301	67	10674	19301

(G) Raw Material Consumption (P.Y. Job work material)

Description	31.03.2011		31.03.2010	
	Qty.(MT)	Rs. in Lacs	Qty.(MT)	Rs. in Lacs
Non- Edible Oil				
Castor Seeds	311368	112485.60	259886	68024.52
Castor Cake *	194090	2753.11	163694	2.38
Castor Oil	-	-	-	-
TOTAL	505458	115238.71	423580	68026.90

*Consumed for Solvent Process.

(H) Consumption of Imported & Indigenous Raw Material (Value in lacs)

Description	31.03.2011		31.03.2010	
	Rs. in Lacs	%	Rs. in Lacs	%
Imported	-	0%	-	0%
Indigenous	115238.71	100%	68026.90	100%

Annual Report

(I) CIF Value of Imports	31.03.2011	31.03.2010
Castor Oil	NIL	NIL
(J) Earning in foreign Exchange	31.03.2011	31.03.2010
Castor Oil (FOB)	NIL	NIL
(K) Expenditure	31.03.2011	31.03.2010
Expenses	NIL	NIL

21 BALANCESHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956.)

[AMOUNT IN RS. THOUSANDS]

I. REGISTRATION DETAILS

REGISTRATION NO. : 9905 STATE CODE : 04
BALANCE SHEET DATE : 31.03.2011

II. CAPITAL RAISED DURING THE YEAR

PUBLIC ISSUE : NIL
RIGHT ISSUE : NIL
BONUS ISSUE : NIL
PRIVATE PLACEMENT : NIL

III. POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS

TOTAL LIABILITIES : 387829
TOTAL ASSETS : 387829

SOURCE OF FUNDS

PAID UP CAPITAL : 60099
SECURED LOANS : 47491
RESERVES & SURPLUS : 265360
UNSECURED LOANS : 2377

APPLICATION OF FUNDS

NET FIXED ASSETS : 126257
INVESTMENTS : 1177
NET CURRENT ASSETS : -408771
ACCUMULATED LOSSES : 669167

PERFORMANCE OF COMPANY

TURNOVER : 21326069
TOTAL EXPENDITURE : 21475304
- LOSSES BEFORE TAX : -123900
- LOSSES AFTER TAX : -121156
EARNING PER SHARE : (20.16)
DIVIDEND RATE% : NIL

IV. GENERIC NAME PRINCIPAL PRODUCTS OF COMPANY [AS PER MONETARY TERMS]

ITEM (ITC) CODE NO. : 151530
PRODUCT DESCRIPTION : CASTOR OIL AND ITS DERIVATIVES

Signature to Schedule 1 to 21

As per our report of even date attached
For, Chandulal M. Shah & Company
Chartered Accountants
(Firm No. 101698W)

sd/-
Partner
K.H.Vasavada
M. No 12322

Place:- Ahmedabad
Date :- 30th May, 2011

For, N. K. INDUSTRIES LIMITED

- Sd/ -
Nimish K. Patel
Chairman & Managing Director

Place:- Ahmedabad
Date :- 30th May, 2011

- Sd/ -
Nilesh K. Patel
Managing Director

- Sd/ -
Jayesh D. Thakker
Director

N.K.INDUSTRIES LIMITED

REGISTERED OFFICE:

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

ATTENDANCE SLIP 23rd 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 23rd ANNUAL GENERAL MEETING of the Company at 7th Floor, Popular House, Ashram Road, Ahmedabad -380 009 on Friday, the 30th day of September, 2011 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 23rd ANNUAL GENERAL MEETING of the Company to be held on the 30th September, 2011 and at any adjournment Thereof.

Signed this _____ day _____ 2011.

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.

Book-Post

If undelivered please return to :-
Share Department
N. K. Industries Ltd.
7th Floor, Popular House,
Ashram Road, Ahmedabad - 380 009

Dhruv : 96012 50005