

N.K. Industries Ltd

1st June, 2020

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

Sub: Submission of Standalone and Consolidated Unaudited Financial Results for the Quarter ended on 31st March, 2020

The Board of Directors at their meeting held today approved the Unaudited Standalone and Consolidated Financial Results for the Quarter ended on 31st March, 2020.

Pursuant to Regulation 33 of SEBI (LODR) Regulations, 2015, we are enclosing herewith the following documents for submission:

1. Audited Standalone & Consolidated Financial Results with the Statement of Assets and Liabilities for the Quarter and Year ended on March 31, 2020.
2. Standalone and Consolidated Statement of Cash Flow for the Year ended on March 31, 2020.
3. Statutory Auditors Report on the Standalone and Consolidated Financial Results for the year ended on March 31, 2020.
4. Annexure-1 (for audit report with modified opinion) - Standalone & Consolidated as required under Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015.

The meeting of Board of Directors of the Company commenced at 11:30 A.M and the meeting concluded at 04:00 p.m.

Thanking You.

Yours faithfully,
N K INDUSTRIES LIMITED

Ms. TRUSHA SHAH
(Company Secretary & Compliance Officer)



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India.

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CIN No. : L91110GJ1987PLC009905

**CHARTERED ACCOUNTANTS**

CA. (DR). HITEN PARIKH

M.Com., LL.B., FCA., Phd

CA. SANJAY MAJMUDAR

B.Com., LL.B., FCA

Independent Auditors' Report on Quarterly and Annual audited Consolidated Ind AS Financial Results of M/s N.K. INDUSTRIES LIMITED Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**To,****The Board of Directors****N.K.INDUSTRIES LIMITED****Report on audit of Consolidated Ind AS Financial Results****Qualified Opinion**

We have audited the accompanying Statement of Consolidated Ind AS Financial Results of N.K.INDUSTRIES LIMITED (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), for the three months and year ended March 31, 2020 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

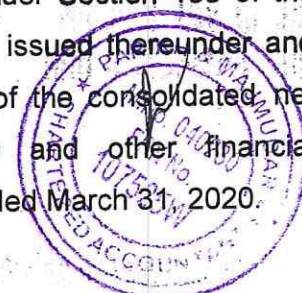
In our opinion and to the best of our information and according to the explanations given to us, the statement:

(i) includes the results of the following subsidiaries:

1. N.K.OIL MILLS PRIVATE LIMITED
2. BANPAL OIL CHEM PRIVATE LIMITED
3. TIRUPATI RETAIL (INDIA) PRIVATE LIMITED

(ii) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and

(iii) gives a true and fair view in conformity with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the consolidated net loss and consolidated total comprehensive income and other financial information of the Group for the three months and year ended March 31, 2020.



Basis for Qualified Opinion

1. The Holding Company had entered into financial arrangement with National Spot Exchange Ltd (NSEL) through trading and Clearing Member, N.K. Proteins Private Ltd (erstwhile N. K. Proteins Limited (NKPL) (Group Company) by way of purchase and sales of various goods up to financial year 2012-13. The trade payables and trade receivables arising out of the said transactions through National Spot Exchange Limited (NSEL) from the concerns other than the group concerns are subject to confirmations by the respective parties/NSEL and reconciliations/adjustments, if any. Further, NSEL has suspended the trading on 31.07.2013, as per the directions issued by the Government of India, Ministry of Consumer Affairs. NSEL has initiated recovery proceedings against the group company viz NKPL and also against the Holding company by filing a civil suit in the Hon'ble Bombay High Court for an alleged amount of around Rs.937 crores plus interest and the said proceedings are pending as on date. Further, the Home department, Government of Maharashtra has issued a notification under the Maharashtra Protection of Interest of Depositors (in financial establishments)-Act, 1999 (MPID Act) attaching the Land, Building & Plant & Machinery of the Holding company located at Kadi , Gujarat. The Holding company had challenged the notification issued by Home department of Maharashtra before Hon'ble Gujarat High Court which was disposed off vide its order dated 29th March 2017. The Holding company preferred a Special Leave Petition before the Hon'ble Supreme Court of India against the order of Hon'ble Gujarat High Court and The Hon'ble Supreme Court of India had disposed off the Special Leave Petition on 17th April, 2017 with a observation to file an application before Hon'ble Bombay High Court, Mumbai, and as informed by the management, the Holding company has filed petition before the Hon'ble Bombay High Court in June 2017 which is pending. Besides the above, the Holding company has also filed its objections against the attachment notification before the Designated Special MPID Court, Mumbai. In view of the above that the matter is subjudice, and the alleged liability /claim are not accepted by the company we are unable to quantify the final liability and its impact if any, on the loss of the Holding company for the Year ended on 31st March , 2020. (Refer Note No 36 of notes forming part of consolidated Ind AS financial statements)

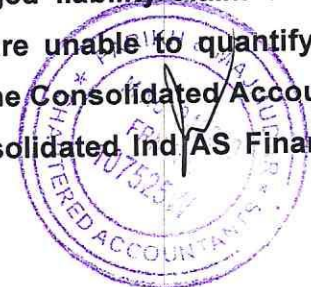


2. The Directorate of Enforcement, Government of India has initiated proceedings against the Holding company under section 5(1) of the prevention of Money Laundering Act, 2002, along with group company NKPL, and by virtue of the provisional attachment order dated 10/03/2015, attached the assets of the Holding company comprising of Land, building, plant and machineries situated at Survey Nos.719, 720, 721, 732/1, 732/2, 733, 741, 743, 744, 745, Kadi Thol Road, Village Kadi Kasba , taluka- Kadi, District Mehsana-382715 Gujarat. As explained to us, the Holding Company has preferred an appeal before the Hon'ble Appellate Tribunal under the Prevention of Money laundering Act, 2002 against the order of Adjudicating Authority.

Futher, the Director of Enforcement (hereinafter referred to as ED), Government of India had initiated proceedings of search/seizure on 30.05.2018 on the group company NKPL, the promoters of the Holding company viz Shri Nilesh Patel and Shri Nimish Patel, one of the family member as well as on the Holding company and thereafter on 29.06.2018, the ED, Government of India, had preferred an application u/s 17(4) of the Prevention of Money Laundering Act, 2002 before the Adjudicating Authority, New Delhi, vide it's application No. OA/236 of 2018 against the company as well as group company NKPL and the promoters for retention of the seized properties and for continuation of order of freezing the properties, till finalization of the proceedings, of the properties mentioned in the application u/s 17(4) of the PMLA Act, 2002. The Holding company along with Group Company and promoters challenged the show cause notice issued by the adjudicating authority New Delhi, before the Hon'ble High Court of Delhi and the Hon'ble High Court has set aside the said show cause notice. The Director of Enforcement has attached assets of the Holding company, group company NKPL and the promoters of the Holding company by issuing a fresh show cause notice dated 30/08/2018 and the Holding company has filed an appeal before PMLA Appellate Tribunal, Delhi . In view of the above that the matter is subjudice, and the alleged liabilities /claims are not accepted by the company we are unable to quantify the final liability and its impact, if any, on the loss of the Holding company for the Year ended on 31st March , 2020. (Refer Note No 37 of notes forming part of Consolidated Ind AS financial statements)



3. The Government of Maharashtra, (at the instance of Economic wing office Mumbai), has filed supplementary Charge sheet dated 25th December, 2018 under the various sections of IPC AND MPID Act. Against the Holding Company and its Chairman Shri Nimish Patel. Further MPID Court on the basis of above supplementary charge sheet has issued summons dated 19th March,2019 against the holding Holding company asking them to remain present on 26th April 2019.The Holding Company has complied with the said summons and the matter was adjourned to 7th November,2019 and further adjourned to 15th February,2020. ,7th March,2020 ,30th April 2020,21st May,2020 and new date of hearing not yet updated. Thus, in view of the fact that the said criminal proceedings which have been initiated, inter alia, against the holding company and its Chairman Shri Nimish Patel are pending, we are unable to ascertain/quantify the final liability, if any, that may arise from the said criminal proceedings and therefore we are unable to quantify its impact, if any, on the loss of the Holding company for the year ended on 31.03.2020 (Refer Note No 37A of notes forming part of Consolidated Ind AS financial statements)
4. The Subsidiary Company Tirupati Retail (India) Pvt Ltd had entered into financial arrangement with National Spot Exchange Ltd (NSEL) through trading and Clearing Member, N.K. Proteins private Limited erstwhile N.K Proteins Limited (NKPL) by way of purchase and sales of various goods up to financial year 2012-13. The trade payables and trade receivables (now reflected under non current financial liabilities & non current financial assets) arising out of the transactions through National Spot Exchange Limited (NSEL) from the concerns other than the group concerns are subject to confirmations by the respective parties and reconciliations / adjustments, if any. Further, NSEL has initiated recovery proceedings against the company viz. N.K. Proteins private Limited and Holding Company viz. N K Industries limited and also against the subsidiary Companies and the said proceedings are pending as on date. In view of the fact that the matter is sub-judice, and the alleged liability/Claim are not accepted by the said subsidiary company, we are unable to quantify the final liability and its impact if any, on the loss of the Consolidated Accounts. (Refer Note No 47 of notes forming part of Consolidated Ind AS Financial statements)



We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Interim Consolidated Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

- 1. We draw attention to Note 33 to the Consolidated Ind AS financial statements which states that the Consolidated financial statements reflects accumulated losses (after taking into account the balance of reserves) of Rs 343.19 Crores as at 31.3.2020 and the net worth of the Consolidated accounts as well as Holding Company and Subsidiary Companies as at 31.03.2020 is negative. However, as per the business plan and future cash flow projections submitted by the management of the holding company to us and accepted by us. As informed by the management of the Holding Company, the Holding Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future. Therefore, provision for the impairment has not been provided for and accounts for the year have been prepared on "going concern basis." Similarly, on the basis of the Certificate received from the respective auditors of the subsidiary company, the management of the said subsidiary companies is also making sincere efforts to revive the business and the management of the said Subsidiary companies is confident to recover the losses through improved profitability in foreseeable future. Therefore no provision for the impairment has been made in the books of subsidiary companies and in the consolidated accounts and accounts of the Holding and Subsidiary Companies as well as consolidated accounts for the year have been prepared on "going concern basis."**



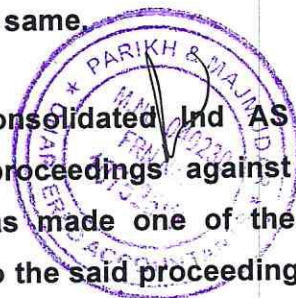
2. A) Attention is invited to note 38 of the Consolidated Ind AS financial statements which states that the Income Tax Department had carried out survey u/s 133 of the Income tax Act ,1961(the IT Act) on the Holding company along with other group companies during FY 2013-14 and had ordered a special audit of the books of the company u/s 142 2A of the IT Act, 1961, for AY2010-11, A.Y 2011-12, A.Y 2012-13 ,A.Y 2013-14 & A.Y 2014-15. The department had raised a demand of Rs 133 Crores (Rs 6.63 Crores for A.Y 10-11, Rs57.07 crores for A.Y 11-12 , Rs 60.33 Crores for A.Y 12-13 & Rs 7.97 Crores for A.Y 2013-14 & Rs 86.00 lacs for AY 2014-15) on the holding company for the aforesaid assessment years and the said demand has been disputed by the holding company and the holding company has initiated appellate proceedings before appropriate authorities. The said amount has been shown as contingent liability under Note No. 27 of the notes forming part of consolidated Ind AS Financial statements . Further ,Income tax department has passed an attachment order on 22.04.2015 & 14.08.15 by which it has attached properties of the holding company in pursuant to a demand, the details of the properties attached which are in the name of holding company is as under:

- 803, Manas Complex, Opp Star Bazaar, Nr Jodhpur Cross road, Satellite, Ahmedabad 380015.
- 603, Manas Complex, Opp Star Bazaar, Nr Jodhpur Cross road, Satellite, Ahmedabad 380015.
- Land, situated at Survey Nos.719, 720, 721, 732/1, 732/2, 733, 741, 743, 744, 745, Kadi Thol Road, Village Kadi Kasba , taluka- Kadi, District Mehsana-382715
- Factory Building Situated at survey No 745, Kadi Thol Road, Village Kadi Kasba , taluka- Kadi, District Mehsana-382715



3. B) Attention is invited to note 30 of the consolidated Ind AS financial statements which states that a Search & Seizure action U/S 132 of the Income Tax Act took place on 24.2.99 on Holding Company. The Income Tax department had raised demand of Rs. 33.12 Crores vide the block assessment Order dt. 30.4.2001. In case of Holding company, the Income Tax Appellate Tribunal (ITAT), Ahmedabad has subsequently given partial relief to the extent of Rs. 28.84 Crores. The Holding company had preferred an appeal before the Hon'ble High Court of Gujarat against the order of Hon'ble ITAT, Ahmedabad. Hon'ble Gujarat High Court vide its order dated 20th June, 2016 had given partial relief on some of the grounds and had also dismissed some of the grounds of the company. Against the grounds dismissed by Hon'ble High Court of Gujarat, the Holding company had further preferred an appeal before Hon'ble Supreme Court of India, and the Hon'ble Supreme Court of India vide order dated 16th January, 2017 had dismissed the appeal of the Holding Company. The Holding Company had provided an amount of Rs 2.88 Crore against the grounds dismissed by Hon'ble ITAT during F.Y 2002-03 as well as Rs 1.27 Crores was provided in the books of accounts for the Assessment year in question for the interest payable upto 31-03-2005 during F.Y 2004-05. However in view of the management of the Holding Company and on the basis of the Judgment of the Hon'ble Gujarat High Court, the amount provided/paid by the Holding company towards total demand shall result in refund to the Holding company Pending effect of the various orders of adjudicating authorities by the Income Tax Department, the Holding Company is yet to provide final entries in its books of accounts even during the year under review. In view of non availability of order of the appeal effects from the Income Tax Department, we are unable to opine on the same.

3. Attention is invited to note 42 of the Consolidated Ind AS Financial Statements, NSEL has initiated recovery proceedings against the group company N. K. Proteins Private Ltd and has made one of the Subsidiary Company viz. N. K. Oil Mills Pvt Ltd., a party to the said proceedings and these proceeding are pending as on date.



4. Attention is invited to note 41 of the Consolidated Ind AS Financial Statements which states that Sales Tax Department has completed the assessment for various assessment years and raised demand of Rs. 3314.22 lacs for the earlier years. The Holding company has not made any provision for the above demand raised by the sales tax authority as in view of the Management, the said demand shall not withstand before the Appellate Authorities and the said Holding company has preferred an appeal before the appellate authority. The said amount has been shown as contingent liability under Note No. 27 of the notes forming part of consolidated Ind AS Financial Statements.
5. Attention is invited to Note 48 of the Consolidated Ind AS financial statements which states that the balance confirmation from the suppliers, customers as well as to various loans or advances & Capital advances given and Certain Bank have been called for by the Holding Company, but the same are awaited till date. In view of the same, it is to be stated that the balances of receivables, trade payables as well as loans and advances ,capital advances and Certain bank balances have been taken as per the books of accounts submitted by the Holding company and are subject to confirmation from the respective parties.
6. Attention in invited to Note No 40 of the Consolidated Ind AS Financial Statements, where in case of one the Subsidiary Company viz. Banpal Oil Chem Pvt ltd , The Home Department, Government of Maharashtra has issued Notification dated 22.06.2015 under the Maharashtra Protection of Interest of Depositors (in financial establishments)-Act, 1999 (MPID Act) for attaching the Factory Plant, Land, Building & Machinery of the company located at plot No. 144/64 of Chandisar Industrial Area. GIDC Mauje chandisar, Taluka- Palanpur, Dist- Banaskantha, Gujarat. As explained to us, The Company has filed its detailed Objections against the said attachment Notification before the Designated Court at Mumbai and as stated by the Management, the matter is subjudice.



7. Attention is invited to Note No 44 of the Consolidated Ind AS Financial Statements, where in case of one the Subsidiary Company viz. Banpal Oil Chem Pvt Ltd , The Directorate of Enforcement, Government of India has initiated proceedings against the company under section 5(1) of the prevention of Money Laundering Act, 2002, and by virtue of the provisional attachment order dated 27.08.2014, attached the assets of the subsidiary company comprising of Factory Plant, Land, Building & Plant & Machinery of the company located at plot No. 144/64,65,66 of Chandisar Industrial Area. GIDC Mauje chandisar, Taluka-Palanpur, Dist- Banaskantha, Gujarat. As explained to us, The said Subsidiary company has preferred an appeal before the Hon'ble Appellate Tribunal under the Prevention of Money laundering Act, 2002. However, matter is subjudice, we are unable to quantify the liability and its impact if any, on the loss of the consolidated accounts.
8. Attention is invited to Note No 45 of the Consolidated Ind AS Financial Statements, where in case of one the Subsidiary Company viz. Banpal Oil Chem Pvt Ltd , Income tax department has passed an attachment order on 20.05.2016 by which it has attached properties of the subsidiary company in pursuant to a demand, the details of the properties attached which are in the name of subsidiary company and the details of which are as under:
- . Plot of land bearing Plot No 144/64, of Chandisar Industrial Area. GIDC Mauje chandisar, Taluka-Palanpur, Dist- Banaskantha,
 - . Plot of land bearing Plot No 144/65, of Chandisar Industrial Area. GIDC Mauje chandisar, Taluka-Palanpur, Dist- Banaskantha,
 - . Plot of land bearing Plot No 144/66, of Chandisar Industrial Area. GIDC Mauje chandisar, Taluka-Palanpur, Dist- Banaskantha,
9. Attention is invited to Note 34 of the Consolidated Ind AS financial statements which states that, on the basis of certificate received from the Management of Holding company, the holding company does not have any control on its joint Venture viz "AWN AGRO PRIVATE LIMITED" and hence no consolidation of the said joint venture is taken in to accounts while consolidation of accounts.



10. Attention is invited to note 49 of the Consolidated Ind AS Financial Statements which states that the Income Tax Department had carried out Assessment Proceedings u/s 143(3) r.w.s 142(A) of the Income tax Act, 1961 (the IT Act) for AY 2014-15 in respect of one of the Subsidiary Company viz. Tirupati Retail India Pvt Ltd. The department has raised a demand of Rs 821.93 Crores on the said subsidiary company for the said assessment year and the said demand has been disputed by the said subsidiary company and the said subsidiary company has initiated appellate proceedings before appropriate authorities. The said amount has been shown as contingent liability under Note No. 27 of the notes forming part of consolidated Ind AS financial statements. Further, Income tax department has passed an order u/s 179 of the Income tax Act, 1961 in the name of the Directors of the said Subsidiary company.

11. As per the information obtained from the website of the Ministry of Corporate Affairs (MCA), a suit has been filed against the Holding company and its officers u/s 383A(1A), 372A(9), 58A(6)(A)(I) of the Companies Act, 1956 for the year 2016. As informed by the management, the Holding company is having basic information about such suit filed as reflected on the website of the MCA. However, the Holding company does not have any communication of such proceedings against the Holding company and its officers. As the matter is still subjudice, we are unable to quantify the final liability and its impact, if any, on the Holding company and its officers. (Refer Note No 29 of the Consolidated Ind AS financial statements)

Our opinion is not modified in the above matters

Managements Responsibilities for the Consolidated Ind AS Financial Results

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated Profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows



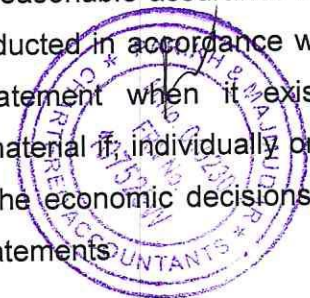
of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These consolidated Ind AS financial statements have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

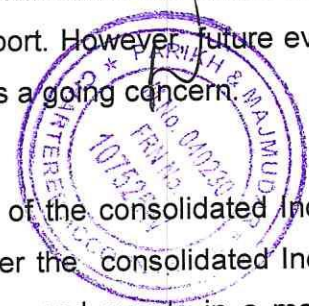
Auditors Responsibilities for the Audit of the Consolidated Ind AS Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.



As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

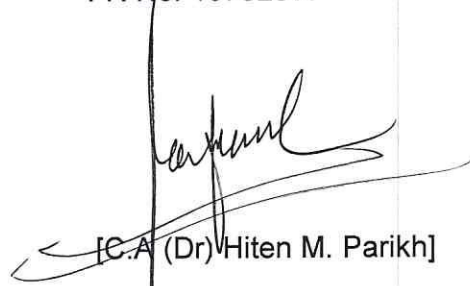
- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence; and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W



[C.A. (Dr) Hiten M. Parikh]

PARTNER

Membership No. 40230

UDIN: 20040230AAAAEA4133

Place: Ahmedabad

Date: 01-06-2020



N.K. Industries Limited

Registered Office: 7th Floor, Popular House, Ashram Road, Ahmedabad - 380 009.

Works : 745, Kadi-Thor Road, KADI-382715 Dist. Mehsana (North Gujarat)

Consolidated Audited Financial Results For The Year Ended On 31st March, 2020

CIN: L91110GJ1987PLC009905, Phone: 91-79-66309999, Email: nkil@nkproteins.com

Part I

(₹) In Lacs, except per Share data

	Particulars	Consolidated				
		Quarter Ended on			Year Ended	
		31/03/2020 Audited	31/12/2019 unaudited	31/03/2019 Audited	31/03/2020 Audited	31/03/2019 Audited
1	Income from operations					
	(a) Net Sales / Income From Operations (net of Excise Duty)	568.61	470.62	11,993.14	11,489.84	51,541.01
	(b) Other Operating Income	(70.83)	44.47	145.13	110.71	439.75
	Total Income (1)	497.78	515.09	12,138.28	11,600.55	51,980.77
2	Expenses					
	a) Cost of materials consumed	(2.82)	-	12,200.52	7,677.36	46,138.16
	b) Purchase of stock-in-trade	(1.00)	1.00	117.92	0.46	1,914.82
	c) Changes in inventories of finished goods, work-in-progress and stock in trade	0.14	-	(1,172.99)	1,176.56	(1,176.56)
	d) Excise Duty and Service Tax	-	-	-	-	-
	e) Employee benefits expenses	91.14	88.44	355.68	382.92	1,286.36
	f) Finance Cost	(4.03)	1.77	6.42	0.89	5.64
	g) Depreciation and amortisation expenses	155.91	145.37	200.31	603.50	712.45
	h) Other expenses	481.45	444.37	627.59	2,276.79	5,805.59
	Total Expenditure	720.80	680.95	12,335.46	12,118.47	54,686.46
3	Profit / (Loss) before exceptional item (1-2)	(223.01)	(165.86)	(197.18)	(517.92)	(2,705.69)
4	Exceptional Items					
5	Profit / (Loss) before tax (3-4)	(223.01)	(165.86)	(197.18)	(517.92)	(2,705.69)
6	Tax expense	(346.93)	(124.72)	(135.55)	109.01	(840.74)
7	i) Current Tax	6.05	(6.20)	49.00	10.25	49.00
8	ii) Deferred Tax	(352.23)	(119.92)	(143.61)	99.51	(895.30)
9	Profit / (Loss) for the period (5-6)	123.92	(41.14)	(61.63)	(626.93)	(1,864.95)
	Other Comprehensive Income (OCI)					
i	items that will not be reclassified to Profit & Loss	(22.42)	(1.02)	12.42	(24.46)	(2.11)
ii	Income taxes relating to items that will not be reclassified to profit or loss	6.64	0.16	0.66	7.12	0.66
iii	items that will be reclassified to Profit or Loss	-	-	-	-	-
iv	Income taxes relating to items that will be reclassified to profit or loss	-	-	-	-	-
10	Total Other Comprehensive Income (Net of Tax)	(15.77)	(0.35)	13.08	(17.33)	(1.45)
	Total Comprehensive Income for the period (9+10)	108.15	(41.49)	(48.55)	(644.26)	(1,866.41)
11	Paid-Up Equity Share Capital of Rs. 10 Each	600.99	600.99	600.99	600.99	600.99
	Earnings per share (for continuing operation) (of `10/- each):					
i	(a) Basic	1.80	(0.69)	(0.81)	(10.72)	(31.06)
	(b) Diluted	1.80	(0.69)	(0.81)	(10.72)	(31.06)
	Earnings per share (for discontinued operation) (of `10/- each):					
ii	(a) Basic	1.80	(0.69)	(0.81)	(10.72)	(31.06)
	(b) Diluted	1.80	(0.69)	(0.81)	(10.72)	(31.06)

Notes:

- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 1st June, 2020 and are published in accordance with the SEBI (LODR) Regulations, 2015.
- As the Company has only one business segment, disclosure under Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.
- The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the second quarter of the respective financial years.
- Figures of the previous period/year have been regrouped/reclassified wherever necessary to make them comparable with figures of the current period/year ended on March, 31 2018 and also to make them comparative with the adoption of IND AS.
- During the year Company had three Wholly Owned Subsidiaries viz. M/s. Banpal Oilchem Private Limited and M/s. N.K.Oil Mills Private Limited and M/s. Tirupati Retail (India) Private Limited whose accounts have been consolidated herewith.



For, N.K. Industries Limited

(Signature)
Nilesh K. Patel (DIN: 00244115)
Managing Director

PLACE : AHMEDABAD
01st June, 2020

N K Industries Limited

Consolidated Statement of Aseets and Liabilities ason 31st March, 2020

S.No.	Particulars	Note No.	31-Mar-2020	31-Mar-2019
	ASSETS			
1	Non-current assets			
a)	Property, Plant and Equipment	8	1 33 51 71 662	1 38 12 97 577
b)	Capital work-in-progress	8	4 26 34 901	5 34 25 548
c)	Investment Property			
d)	Goodwill	8	82 36 24 384	82 36 24 384
e)	Other Intangible assets			
f)	Intangible assets under development	8	31 577	31 577
g)	Biological Assets other than bearer plants			
h)	Financial Assets			
(i)	Investments	9	10 33 892	8 53 169
(ii)	Trade receivables	10	15 96 60 61 217	15 96 60 61 217
(iii)	Loans	11	13 88 899	13 92 349
(iv)	Other Financial Assets	11A	25 25 069	23 82 799
i)	Deferred tax assets (net)		22 05 38 938	22 97 77 833
j)	Other non-current assets	12	38 27 60 417	42 24 38 114
2)	Current assets			
a)	Inventories	13	2 67 92 402	23 85 57 023
b)	Financial Assets			
(i)	Investments			
(ii)	Trade receivables	14	20 79 36 362	35 28 67 210
(iii)	Cash and cash equivalents	15	91 67 405	6 05 30 002
(iv)	Bank balances other than (iii) above	16	61 64 059	70 50 584
(v)	Loans	17	21 49 564	16 96 350
(vi)	Others (to be specified)			
c)	Current Tax Assets (Net)			
d)	Other current assets	18	51 12 010	1 02 54 855
	TOTAL ASSETS		19 03 30 92 757	19 55 22 40 591
	EQUITY & LIABILITIES :			
	EQUITY:			
a)	Equity Share capital	1	6 00 99 000	6 00 99 000
b)	Other Equity	2	(3 43 19 39 384)	(3 36 75 13 169)
	LIABILITIES :			
1)	Non-Current Liabilities			
a)	Financial Liabilities			
(i)	Borrowings			
(ii)	Trade payables	3		
	(a) Due to Micro and Small Enterprises			
	(b) Due to other than Micro and Small Enterprises		22 32 23 88 870	22 32 23 89 093
(iii)	Other financial liabilities	3	36 52 953	36 52 953
b)	Provisions	4	3 32 39 355	2 89 68 866
c)	Deferred tax liabilities (Net)			
d)	Other non-current liabilities			
2)	Current liabilities			
a)	Financial Liabilities			
(i)	Borrowings			
(ii)	Trade payables	5		
	(a) Due to Micro and Small Enterprises		3 80 332	32 09 610
	(b) Due to other than Micro and Small Enterprises		1 23 83 487	46 59 74 035
(iii)	Other financial liabilities	5a	20 00 000	-
b)	Other current liabilities	6	2 12 86 139	2 21 95 948
c)	Provisions	7	92 05 719	83 64 256
d)	Current Tax Liabilities (Net)	7	3 96 285	49 00 000
	Total Equity and Liabilities		19 03 30 92 757	19 55 22 40 591



N. K. Industries Limited

Consolidated Cash Flow Statement for the year ended on 31st March, 2020

Particulars	(Amt in ₹)			
	31-Mar-2020	31-Mar-2020	31-Mar-2019	31-Mar-2019
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
Net Profit/(Loss) After Tax and Extra Ordinary Items		(542,37,485)		(2707,80,561)
Adjustment for :				
Depreciation and Amortisation Expenses		603,49,598		712,45,449
Loss / (Gain) on Sale and Discard of Fixed Assets		4,736		-
Interest Income		(27,84,654)		(22,80,584)
Finance Cost		89,126		5,63,781
Operating Profit/(Loss) before Working Capital Changes		34,21,320		(2012,51,915)
Adjustment for :				
(Increase)/Decrease in Trade and other receivables / financial assets/ other current assets	1496,20,480		541,02,249	
(Increase)/Decrease in Inventories	2117,64,622		(1873,57,762)	
Increase/(Decrease) in Trade Payables/ Provision / other financial liabilities etc	(4546,30,760)	(932,45,658)	4774,48,102	3441,92,588
Cash Generated from Operations		(898,24,338)		1429,40,673
Income Tax Paid		(9,49,835)		(54,55,455)
Net Cash Generated from Operating Activities		(907,74,173)		1374,85,218
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Adjustment for :				
Acquisition of Fixed Assets	(34,72,065)		(282,78,730)	
Changes in non current assets	394,48,017		(564,78,205)	
Interest Income	27,84,654		30,54,872	
Proceeds from Sale of Fixed Assets	34,293		-	
Acquisition of Investment	(1,80,723)	386,14,177	11,53,000	(805,49,063)
Net Cash used in Investing Activities		386,14,177		(805,49,063)
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:				
Interest Paid	(89,126)		(5,63,781)	
Net Cash used in Financial Activities		(89,126)		(5,63,781)
Net increase/(decrease) in Cash and Cash Equivalents		(522,49,123)		563,72,375
Cash & Cash equivalent at the beginning of the year		675,80,586		112,08,211
Cash & Cash equivalent at the Close of the year		153,31,463		675,80,586
Note: Cash and Cash Equivalents Includes:				
a) Cash on hand		4,54,295		4,39,431
b) Balance with Banks in Current account		87,13,110		600,90,570
c) Balance with Banks in fixed deposit less than 12 months		61,64,059		70,50,584
		153,31,463		675,80,586

These accompanying notes are an integral part of these financial Statements

Notes:

1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IndAS 7) statement of cash flows

This is the Cash flow Statement referred to in our report of even date.



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

(Signature)
Nitesh K. Patel
Managing Director
Din-00244115

ANNEXURE-I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Consolidated Financial Results				
(Rs. Lakhs)				
I.	Sr. No.	Particulars	Audited Figures for the year ended 31/03/2020 (as reported before adjusting for qualifications)	Audited Figures for the year ended 31/03/2020 (audited figures after adjusting for qualifications)
	1	Turnover/ Total income	11,600.55	11,600.55
	2	Total Expenditure	12,118.47	12,118.47
	3	Net Profit/ (Loss)	(626.93)	(626.93)
	4	Earnings Per Share	(10.43)	(10.43)
	5	Total Assets	1,90,330.93	1,90,330.93
	6	Total Liabilities	2,24,049.33	2,24,049.33
	7	Net Worth	(33,718.40)	(33,718.40)
	8	Any other financial item (s) (as left appropriate by the management)	-	-
II.	<u>Audit Qualification (each audit qualification separately):</u>			
	a. Details of Audit Qualification: Modified opinion with Emphasis			
	b. Type of Audit Qualification: Qualified Opinion			
	1. Regarding transactions of the Company through trading and clearing member with NSEL.			
	• Regarding notice issued by EOW under the Maharashtra Protection of Interest of Depositors (in financial establishments) – Act, 1999 (MPID) Act.			
	2. Regarding proceedings initiated by the Directorate of Enforcement under the Prevention of Money Laundering Act, 2002			
	3. Regarding notice issued by EOW under the Maharashtra Protection of Interest of Depositors (in financial establishments) – Act, 1999 (MPID) Act.			
	4. Regarding transactions of subsidiary Company i.e. Tirupati Retail (India) Private Limited with NSEL.			
	c. Frequency of qualification:			
	1. Repetitive from the financial year ended on 31st March, 2013			
	• Repetitive from the financial year ended on 31 st March, 2015.			
	2. Repetitive from the financial year ended on 31 st March, 2015.			
	3. Appearing for the first time in the Consolidated Audit Report.			
	4. Repetitive from the financial year ended on 31 st March, 2018			



1. For Audit Qualification (s) where the impact is quantified by the auditor, Management's Views:

The Auditors have not quantified the impact of their qualifications on the financial statements of the Company as the matters pertaining to the qualification are pending before various Courts/Statutory authorities and are subjudice at present. Further the Managements view on the above mentioned qualifications are as mentioned at point no. e below.

2. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of Audit qualification:Nil

ii. If management is unable to estimate the impact, reason for the same:

1. National spot Exchange Limited (NSEL) has served a notice to N K Proteins Private Limited (Formerly known as N K Proteins Limited) who was a Trading and Clearing Member at NSEL and N K Industries Limited was only a client Company of Trading Member i.e. N K Proteins Limited. As regards, the balances of trade receivables and trade payables arising out of the transactions through NSEL platform, the same cannot be confirmed pursuant to the pendency of litigations and as the matter is still pending before the respective authorities.

- Further, the Home Department, Government of Maharashtra has issued a notification under the MPID Act, 1999 securing the attachment of Land & Building and Plant & Machinery of the Company. Against this the Company had challenged the notification issued by Home department, Government of Maharashtra, before the Hon'ble High Court of Gujarat. The Hon'ble Gujarat High Court had disposed off the application of the Company vide its order dated 29th March 2017. Against the said order the Company had preferred a Special Leave Petition before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India had disposed off the Special Leave Petition on 17/04/2017, with an observation to file an application before the Hon'ble Bombay High Court. The Company has filed petition before the Hon'ble Bombay High Court in June 2017. Besides this, the Company has also filed its objections against the attachment notification before the Designated Special MPID Court, Mumbai the matter is subjudice.

2. With respect to point no.2 of qualified opinion of Auditors Report, it is hereby clarified that it is hereby clarified that the Company along with Group Company and promoters challenged the show cause notice issued by the adjudicating authority New Delhi, before the Hon'ble High Court of Delhi and the Hon'ble High Court has set aside the said show cause notice. The Director of Enforcement has attached assets of the company, group company NKPL and the promoters of the company by issuing a fresh show cause notice



dated 30/08/2018 and the company has filed an appeal before PMLA Appellate Tribunal, Delhi. Still the matter is sub-judice.

3. With regard to the supplementary charge sheet filed the Company has complied with the summons dated 19/03/2019 to remain present before the MPID Court on 26/04/2019. The matter was adjourned to 21/05/2020, but new date of hearing is not yet updated. Therefore the matter is sub-judice.

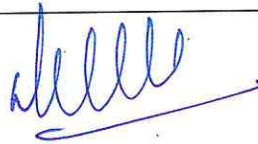
4. The National Spot Exchange Limited (NSEL) has initiated recovery proceedings against the Group Company N K Proteins Private Limited (Formerly known as 'N K Proteins Limited') who was a trading and clearing member at NSEL. As regards the said recovery proceedings initiated by NSEL and has also made Tirupati Retail (India) Private Limited, subsidiary Company a party to the said proceedings, the matter is sub-judice and still pending before the respective Authorities.

iii. **Auditor's Comments on (I) or (ii) above:**

We have qualified our report with respect to various transactions entered into by the Company on NSEL Platform and the matter is presently pending before various courts/statutory authorities and accordingly it is sub-judice and not determinable. The quantification of amount can be determined only upon the receipt of judgment from the respective authorities and till that time neither the Company nor we as auditors, can quantify the impact of the same on the financial results of the Company.

III. Signatories:

• CEO/ Managing Director



• CFO
Akhilbhai



• Audit Committee Chairman
Snehalbhai



• Statutory Auditor


Place: Ahmedabad
Date: 01/06/2020





CHARTERED ACCOUNTANTS

CA. (DR). HITEN PARIKH
M.Com., LL.B., FCA., Phd
CA. SANJAY MAJMUDAR
B.Com., LL.B., FCA

Independent Auditors' Report on Quarterly and Annual audited Standalone Ind AS Financial Results of M/s N.K. INDUSTRIES LIMITED Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Board of Directors

N.K.INDUSTRIES LIMITED

Report on audit of Standalone Ind AS Financial Results

Qualified Opinion

We have audited the accompanying Statement of Standalone Ind AS Financial Results of N.K.INDUTRIES LIMITED (the "Company"), for the three months and year ended March 31, 2020 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the statement:

- a. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, and
- b. gives a true and fair view in conformity with Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under Section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued there under and other accounting principles generally accepted in India of the net loss and total comprehensive income and other financial information of the Company for the three months and year ended March 31, 2020.



Basis for Qualified Opinion

1. The Company had entered into financial arrangement with National Spot Exchange Ltd (NSEL) through trading and Clearing Member, N.K. Proteins Private Ltd (erstwhile N. K. Proteins Limited (NKPL) (Group Company) by way of purchase and sales of various goods up to financial year 2012-13. The trade payables and trade receivables arising out of the said transactions through National Spot Exchange Limited (NSEL) from the concerns other than the group concerns are subject to confirmations by the respective parties/NSEL and reconciliations/adjustments, if any. Further, NSEL has suspended the trading on 31.07.2013, as per the directions issued by the Government of India, Ministry of Consumer Affairs. NSEL has initiated recovery proceedings against the group company viz NKPL and also against the company by filing a civil suit in the Hon'ble Bombay High Court for an alleged amount of around Rs.937 crores plus interest .and the said proceedings are pending as on date. Further, the Home department, Government of Maharashtra has issued a notification under the Maharashtra Protection of Interest of Depositors (in financial establishments)-Act, 1999 (MPID Act) attaching the Land, Building & Plant & Machinery of the company located at Kadi , Gujarat. The company had challenged the notification issued by Home department of Maharashtra before Hon'ble Gujarat High Court which was disposed off vide its order dated 29th March, 2017. The company preferred a Special Leave Petition before the Hon'ble Supreme Court of India against the order of Hon'ble Gujarat High Court and The Hon'ble Supreme Court of India had disposed off the Special Leave Petition on 17th April, 2017 with a observation to file an application before Hon'ble Bombay High Court, Mumbai, and as informed by the management, the company has filed petition before the Hon'ble Bombay High Court in June 2017 which is pending .Besides the above, the company has also filed its objections against the attachment notification before the Designated Special MPID Court, Mumbai.

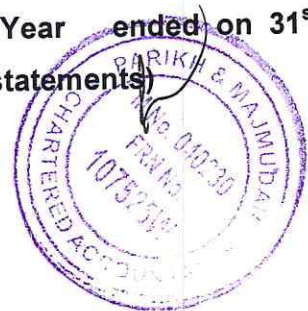
In view of the above that the matter is subjudice, and the alleged liability /claim are not accepted by the company ,we are unable to quantify the final liability and its impact if any, on the loss of the company for the Year ended on 31st March , 2020.(Refer note No 35 of Standalone Ind AS financial statements)



2. The Directorate of Enforcement, Government of India has initiated proceedings against the company under section 5(1) of the prevention of Money Laundering Act, 2002, along with group company NKPL, and by virtue of the provisional attachment order dated 10/03/2015, attached the assets of the company comprising of Land, building, plant and machineries situated at Survey Nos.719, 720, 721, 732/1, 732/2, 733, 741, 743, 744, 745, Kadi Thol Road, Village Kadi Kasba , taluka- Kadi, District Mehsana-382715 Gujarat. As explained to us, the Company has preferred an appeal before the Hon'ble Appellate Tribunal under the Prevention of Money laundering Act, 2002 against the order of Adjudicating Authority.

Further, the Director of Enforcement (hereinafter referred to as ED), Government of India had initiated proceedings of search/seizure on 30.05.2018 on the group company NKPL, the promoters of the company viz Shri Nilesh Patel and Shri Nimish Patel, one of the family member as well as on the company and thereafter on 29.06.2018, the ED, Government of India, had preferred an application u/s 17(4) of the Prevention of Money Laundering Act, 2002 before the Adjudicating Authority, New Delhi, vide its application No. OA/236 of 2018 against the company as well as group company NKPL and the promoters for retention of the seized properties and for continuation of order of freezing the properties, till finalization of the proceedings, of the properties mentioned in the application u/s 17(4) of the PMLA Act, 2002. The company along with Group Company and promoters challenged the show cause notice issued by the adjudicating authority New Delhi, before the Hon'ble High Court of Delhi and the Hon'ble High Court has set aside the said show cause notice. The Director of Enforcement has attached assets of the company, group company NKPL and the promoters of the company by issuing a fresh show cause notice dated 30/08/2018 and the company has filed an appeal before PMLA Appellate Tribunal, Delhi .

In view of the above that the matter is subjudice, and the alleged liabilities /claims are not accepted by the company ,we are unable to quantify the final liability and its impact, if any, on the loss of the company for the Year ended on 31st March , 2020.(Refer note No 36 of Standalone Ind AS financial statements)



3. The Government of Maharashtra, (at the instance of Economic wing offence Mumbai), has filed supplementary Charge sheet dated 25th December, 2018 under the various sections of IPC AND MPID Act. against the company and its chairman Shri Nimish Patel. Further MPID Court, on the basis of above supplementary charge sheet has issued summons dated 19th March,2019 against the company asking to remain present on 26th April 2019. The Company has complied with the said summons and the matter was adjourned to 7th November,2019 and further adjourned to 15th February,2020. ,7th March,2020,30th April 2020,21st May,2020. and new date of hearing not yet updated. Thus, in view of the fact that the said criminal proceedings which have been initiated, inter alia, against the company and its Chairman Shri Nimish Patel are pending, we are unable to ascertain/quantify the final liability, if any, that may arise from the said criminal proceedings and therefore we are unable to quantify its impact, if any, on the loss of the company for the Year ended on 31st March , 2020. (Refer note No 37 of Standalone Ind AS financial statements)

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

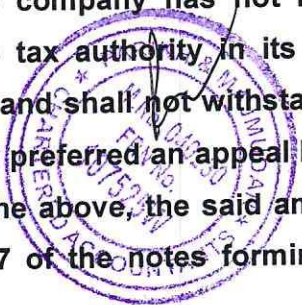
1. We draw attention to Note 32 to the Standalone Ind AS Financial Statements and according to the same , the company is having accumulated losses (after taking into account the balance of reserves) of Rs 341.44 Crores as at 31.3.2020 and the net worth of the company is negative. However, as per the business plan and future cash flow projections submitted by the management to us and accepted by us. The Company is making sincere efforts for the revival of the Business & the management is confident to recover the losses through improved profitability in foreseeable future. Therefore no provision for the impairment has been made and accounts for the year have been prepared on "going concern basis." Further the above projections also

contains business plan/ projected cash flow prepared by the management and accepted by us with respect to the subsidiary companies ,the management is confident to also revive the operations of the loss making subsidiary companies, hence no provision for impairment in the fair value of the investment in the said subsidiary companies has been made in the books of accounts.

2. Attention is invited to note 38 of the Standalone Ind AS Financial Statements which states that the Income Tax Department had carried out survey u/s 133 of the Income tax Act, 1961(the IT Act) on the company along with other group companies during FY 2013-14 and had ordered a special audit of the books of the company u/s 142(2A) of the IT Act, 1961, for AY 2011-12 & A.Y 12-13. The department had raised a demand of Rs 133 Crores (Rs 6.63 Crores for A.Y 10-11, Rs57.07 crores for A.Y 11-12, Rs 60.33 Crores for A.Y 12-13, Rs 7.97 Crores for A.Y 2013-14 & Rs.0.86 Crores for A.Y.2014-15) on the company for the aforesaid assessment years and the said demand has been disputed by the company and the company has initiated appellate proceedings before appropriate authorities. The said amount has been shown as contingent liability under Note No. 27 of the notes forming part of standalone financial statements. Further ,Income tax department has passed an attachment order on 22.04.2015 & 14.08.15 by which it has attached properties of the company in pursuant to a demand, the details of the properties attached which are in the name of company is as under:

- 803, Manas Complex, Opp Star Bazaar, Nr Jodhpur Cross road, Satellite, Ahmedabad 380015.
- 603, Manas Complex, Opp Star Bazaar, Nr Jodhpur Cross road, Satellite, Ahmedabad 380015.
- Land, situated at Survey Nos.719, 720, 721, 732/1, 732/2, 733, 741, 743, 744, 745, Kadi Thol Road, Village Kadi Kasba ,taluka- Kadi, District Mehsana-382715.
- Factory Building Situated at survey No 745, Kadi Thol Road, Village Kadi Kasba , taluka- Kadi, District Mehsana-382715



3. Attention is invited to note 29 of the Standalone Ind AS Financial Statements and according to which a Search & Seizure action U/S 132 of the Income Tax Act took place on 24.2.99. The Income Tax department had raised demand of Rs. 33.12 Crores vide the block assessment Order dt. 30.4.2001. In case of the company, the Hon'ble Income Tax Appellate Tribunal (ITAT), Ahmedabad has subsequently given partial relief to the extent of Rs. 28.84 Crores. The company had preferred an appeal before the Hon'ble High Court of Gujarat against the order of Hon'ble ITAT, Ahmedabad. The Hon'ble Gujarat High Court vide its order dated 20th June, 2016 had given partial relief on some of the grounds and had also dismissed some of the grounds of the company. Against the grounds dismissed by Hon'ble High Court of Gujarat, the company had further preferred an appeal before Hon'ble Supreme Court of India, and the Hon'ble Supreme Court of India vide order dated 16th January, 2017 had dismissed the appeal of the Company. The Company had already provided an amount of Rs 2.88 Crore against the grounds dismissed by Hon'ble ITAT, Ahmedabad during F.Y 2002-03 as well as Rs 1.27 Crores was provided in the books of accounts for the Assessment year in question for the interest payable up to 31-03-2005 during F.Y 2004-05. However in view of the management and on the basis of the Judgment of the Hon'ble Gujarat High Court, the amount provided/paid by the company towards total demand shall result in refund to the company. Pending effect of the various orders of adjudicating authorities by the Income Tax Department, the Company is yet to provide final entries in its books of accounts even during the year under review. In view of non availability of order of the appeal effects from the Income Tax Department, we are unable to opine on the same.
4. Attention is invited to note 40 of the Standalone Ind AS Financial Statements and according to which the Sales Tax Department has completed the assessment proceedings for various assessment years and raised demand of Rs. 3314.22 lakhs (net of recovery) for the earlier financial years. The company has not made any provision for the above demand raised by the sales tax authority in its books of accounts as in view of the Management, the said demand shall not withstand before the Appellate Authorities and the company has already preferred an appeal before the appellate authority which is still pending. In view of the above, the said amount has been shown as contingent liability under Note No. 27 of the notes forming part of standalone financial statements.
- 

5. Attention is invited to Note 44 of the Standalone Ind AS Financial Statements which states that the balance confirmation from the suppliers, customers as well as to various loans or advances, capital advances given and certain banks have been called for by the company, but the same are awaited till the date of audit. Thus, the balances of receivables, capital advances, trade payables as well as loans and advances and certain bank balances have been taken as per the books of accounts submitted by the company and are subject to confirmation from the respective parties.

6. As per the information obtained from the website of the Ministry of Corporate Affairs (MCA), a suit has been filed against the company and its officers u/s 383A(1A), 372A(9), 58A(6)(A)(I) of the Companies Act, 1956 for the year 2016. As informed by the management, the company is having basic information about such suit filed as reflected on the website of the MCA. However, the company does not have any communication of such proceedings against the company and its officers. As the matter is still subjudice, we are unable to quantify the final liability and its impact, if any, on the company and its officers. (Refer Note No 41 of the standalone Ind AS financial statements)

Our opinion is not modified on the above matters.

Managements Responsibilities for the Standalone Ind AS Financial Results

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), Profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors Responsibilities for the Audit of the Standalone Ind AS Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and,, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements,including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence; and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Parikh & Majmudar

Chartered Accountants

FR No. 107525W



[C.A (Dr) Hiten M. Parikh]
PARTNER

Membership No. 40230

Place: Ahmedabad

Date: 01-06-2020

UDIN: 20040230AAAADZ9591

N.K. Industries Limited

Registered Office: 7th Floor, Popular House, Ashram Road, Ahmedabad - 380 009.

Works : 745, Kadi-Thor Road, KADI-382715 Dist.Mehsana (North Gujarat)

Statement of Standalone Audited Financial Results For The Quarter/Year Ended on 31st March, 2020

CIN: L91110GJ1987PLC009905, Phone: 91-79-66309999, Email: nkil@nkproteins.com

Part I

(₹) In Lakhs, except per Share data

	Particulars	Standalone				
		Quarter Ended on			Year Ended	
		31/03/2020 Audited	31/12/2019 Unaudited	31/03/2019 Audited	31/03/2020 Audited	31/03/2019 Audited
1	Income from operations					
	(a) Net Sales / Income From Operations (net of Excise Duty)	34.03	37.00	11,494.84	9,735.62	49,631.11
	(b) Other Operating Income	10.06	10.31	135.09	94.54	427.41
	Total Income (1)	44.09	47.31	11,629.93	9,830.16	50,058.52
2	Expenses					
	a) Cost of materials consumed	45.32	4.29	12,221.25	7,709.06	46,209.61
	b) Purchase of stock-in-trade	0.00	(0.00)	(48.14)	0.46	1,914.82
	c) Changes in inventories of finished goods, work-in-progress and stock in trade	5.13	-	(1,177.72)	1,181.29	(1,181.29)
	d) Excise Duty and Service Tax	-	-	-	-	-
	e) Employee benefits expenses	12.21	8.58	213.64	77.34	904.80
	f) Finance Cost	0.07	0.31	0.31	0.82	4.48
	g) Depreciation and amortisation expenses	143.43	143.25	190.21	571.39	671.41
	h) Other expenses	71.11	29.16	567.30	799.78	4,342.88
	Total Expenditure	277.27	185.59	11,966.85	10,340.13	52,866.72
3	Profit/(Loss) before exceptional item (1-2)	(233.18)	(138.28)	(336.92)	(509.98)	(2,808.20)
4	Exceptional Items	-	-	-	-	-
5	Profit/(Loss) before tax (3-4)	(233.18)	(138.28)	(336.92)	(509.98)	(2,808.20)
6	Tax expense	346.55	120.66	879.69	(109.53)	879.69
7	i) Current Tax	-	-	-	-	-
8	ii) Deferred Tax	346.55	120.66	879.69	(109.53)	879.69
9	Profit / (Loss) for the period (5-6)	113.37	(17.62)	542.77	(619.51)	(1,928.52)
	Other Comprehensive Income (OCI)					
i	items that will not be reclassified to Profit & Loss	(22.93)	(0.51)	12.42	(24.46)	(2.11)
ii	Income taxes relating to items that will not be reclassified to profit or loss	6.64	0.16	0.66	7.12	0.66
iii	items that will be reclassified to Profit or Loss	-	-	-	-	-
iv	Income taxes relating to items that will be reclassified to profit or loss	-	-	-	-	-
10	Total Other Comprehensive Income (Net of Tax)	(16.28)	(0.35)	13.07	(17.33)	(1.45)
	Total Comprehensive Income for the period (9+10)	97.09	(17.97)	555.84	(636.84)	(1,929.97)
11	Paid-Up Equity Share Capital of Rs. 10 Each	600.99	600.99	600.99	600.99	600.99
i	Earnings per share (for continuing operation) (of `10/- each):					
	(a) Basic	1.89	(0.29)	9.03	(10.31)	(32.09)
	(b) Diluted	1.89	(0.29)	9.03	(10.31)	(32.09)
ii	Earnings per share (for discontinued operation) (of `10/- each):					
	(a) Basic	1.89	(0.29)	9.03	(10.31)	(32.09)
	(b) Diluted	1.89	(0.29)	9.03	(10.31)	(32.09)

Notes:

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 1st June, 2020, and are published in accordance with the SEBI (LODR) Regulations, 2015.

2. As the Company has only one business segment, disclosure under Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.



3. The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the second quarter of the respective financial years.
4. Figures of the previous period/year have been regrouped/reclassified wherever necessary to make them comparable with figures of the current period/year ended on March, 31 2020 and also to make them comparative with the adoption of IND AS.
5. During the year Company had three Wholly Owned Subsidiaries viz. M/s. Banpal Oilchem Private Limited and M/s. N.K.Oil Mills Private Limited and M/s. Tirupati Retail (India) Private Limited whose accounts have been consolidated herewith.
6. The above consolidated figures have been prepared in accordance with the principles and procedrues as set out in Accounting Standard-19 on Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.

PLACE : AHMEDABAD
01st June, 2020



For, N.K. Industries Limited

Nilesh K. Patel (DIN: 00244115)
Managing Director

N K INDUSTRIES LIMITED

Statement of Assets and Liabilities as on 31st March, 2020

S.No.	Particulars	Note No.	31-Mar-2020	31-Mar-2019
	ASSETS			
1	Non-current assets			
a)	Property, Plant and Equipment	8	1 30 63 10 769	1 34 92 30 873
b)	Capital work-in-progress	8	4 26 34 901	5 34 25 548
c)	Investment Property			
d)	Goodwill			
e)	Other Intangible assets			
f)	Intangible assets			
g)	Biological Assets other than bearer plants	8	31 578	31 578
h)	Financial Assets			
(i)	Investments			
(ii)	Trade receivables	9	1 76 85 854	1 76 85 854
(iii)	Loans	10	55 49 32 706	55 49 32 706
i)	Deferred tax assets (net)	11	11 24 73 484	11 24 76 934
j)	Other non-current assets		21 03 59 956	22 06 01 086
2)	Current assets	12	48 99 34 335	52 88 82 880
a)	Inventories			
b)	Financial Assets	13	2 37 41 931	23 58 46 317
(i)	Investments			
(ii)	Trade receivables			
(iii)	Cash and cash equivalents	14	18 95 50 460	32 36 39 408
(iv)	Bank balances other than (iii) above	15	70 28 956	5 87 60 410
(v)	Loans	16	61 64 059	70 50 584
(vi)	Others (to be specified)	17	1 97 46 415	1 83 54 286
c)	Current Tax Assets (Net)			
d)	Other current assets			
	TOTAL ASSETS	18	13 22 209	83 31 521
			2 98 19 17 613	3 48 92 49 986
	EQUITY & LIABILITIES :			
	EQUITY:			
a)	Equity Share capital	1	6 00 99 000	6 00 99 000
b)	Other Equity	2	(341 44 56 199)	(335 07 71 740)
	LIABILITIES :			
1)	Non-Current Liabilities			
a)	Financial Liabilities			
(i)	Borrowings			
(ii)	Trade payables			
	(a) Due to Micro and Small Enterprises	3		
	(b) Due to other than Micro and Small Enterprises		6 26 50 59 638	6 26 50 59 638
(iii)	Other financial liabilities			
b)	Provisions			
c)	Deferred tax liabilities (Net)	4	3 32 39 355	2 89 68 866
d)	Other non-current liabilities			
2)	Current liabilities			
a)	Financial Liabilities			
(i)	Borrowings			
(ii)	Trade payables			
	(a) Due to Micro and Small Enterprises	5		
	(b) Due to other than Micro and Small Enterprises		2 63 506	62 19 302
(iii)	Other financial liabilities		95 07 432	46 23 03 604
b)	Other current liabilities	6	20 00 000	-
c)	Provisions	6	1 75 83 399	96 28 824
d)	Current Tax Liabilities (Net)	7	86 21 482	77 42 492
	Total Equity and Liabilities		2 98 19 17 613	3 48 92 49 986



N. K. INDUSTRIES LIMITED

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31ST MARCH, 2020

(Amt in ₹)

Particulars	31-Mar-2020	31-Mar-2020	31-Mar-2019	31-Mar-2019
A. CASH FLOW ARISING FROM ACTIVITIES:				
Net Profit/(Loss) After Tax and Extra Ordinary Items		(534,43,328)		(2810,31,631)
Adjustment for :				
Depreciation and Amortisation Expenses		571,38,565		671,41,383
Loss / (Gain) on Sale and Discard of Fixed Assets		-		-
Interest Income		(31,04,863)		(25,93,715)
Finance Cost		81,817		4,47,896
Operating Profit/(Loss) before Working Capital Changes		6,72,191		(2160,36,067)
Adjustment for :				
(Increase)/Decrease in Trade and other receivables/ Loans /other current assets	1397,06,131		678,55,150	
(Increase)/Decrease in Inventories	2121,04,386		(1862,97,259)	
Increase/(Decrease) in Trade Payables/ loans/ other financial liabilities/Provisions/ current liabilities	(4436,47,914)	(918,37,397)	4231,05,263	3046,63,155
Cash Generated from operating Activities		(911,65,206)		886,27,087
Income Tax Paid		-		-
Net Cash Generated from Operating Activities		(911,65,206)		886,27,087
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Adjustment for :				
Acquisition of Fixed Assets	(34,27,815)		(282,78,730)	
Changes in non current assets	389,51,995		(58,64,187)	
Interest Income	31,04,863		25,93,715	
Proceeds from Sale of Fixed Assets	-		-	
Acquisition of Investment	-	386,29,044	11,53,000	(303,96,202)
Net Cash used in Investing Activities		386,29,044		(303,96,202)
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:				
Borrowing	-		-	
Interest Paid	(81,817)		(4,47,896)	
Net Cash used in Financial Activities		(81,817)		(4,47,896)
Net increase/(decrease) in Cash and Cash Equivalents		(526,17,979)		577,82,990
Cash & Cash equivalent at the beginning of the year		658,10,994		80,28,005
Cash & Cash equivalent at the Close of the year		131,93,015		658,10,995
Note: Cash and Cash Equivalents Includes:				
a) Cash on hand		1,28,069		91,255
b) Balance with Banks in Current account		69,00,887		586,69,155
c) Balance with Banks in fixed deposit less than 12 months		61,64,059		70,50,584
		131,93,015		658,10,995

These accompanying notes are an integral part of these financial Statements

Notes:

1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IndAS 7) statement of cash flows

This is the Cash flow Statement referred to in our report of even date.



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

(Signature)
Nilesh K. Patel
Managing Director
Din -00244115

ANNEXURE-I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Standalone Financial Results

(Rs. Lakhs)

I.	Sr. No.	Particulars	Audited Figures for the year ended 31/03/2020 (as reported before adjusting for qualifications)	Audited Figures for the year ended 31/03/2020(audited figures after adjusting for qualifications)
	1	Turnover/ Total income	9,830.16	9,830.16
	2	Total Expenditure	10,340.13	10,340.13
	3	Net Profit/ (Loss)	(619.51)	(619.51)
	4	Earnings Per Share	(10.31)	(10.31)
	5	Total Assets	29,819.18	29,819.18
	6	Total Liabilities	63,362.75	63,362.75
	7	Net Worth	(33,543.57)	(33,543.57)
	8	Any other financial item (s) (as left appropriate by the management)	-	-
II.	<u>Audit Qualification (each audit qualification separately):</u>			
	a. Details of Audit Qualification: Modified opinion with Emphasis			
	b. Type of Audit Qualification: Qualified Opinion			
	1. Regarding transactions of the Company through trading and clearing member with NSEL.			
	2. Regarding proceedings initiated by the Directorate of Enforcement under the Prevention of Money Laundering Act, 2002			
	3. Regarding notice issued by EOW under the Maharashtra Protection of Interest of Depositors (in financial establishments) – Act, 1999 (MPID) Act.			
	4. Frequency of qualification:			
	1. Repetitive from the financial year ended on 31st March, 2013			
	2. Repetitive from the financial year ended on 31st March, 2015.			
	3. Repetitive from the financial year ended on 31 st March, 2015.			
	1. For Audit Qualification (s) where the impact is quantified by the auditor, Management's Views:			
	The Auditors have not quantified the impact of their qualifications on the financial statements of the Company as the matters pertaining to the qualification are pending before various Courts/Statutory authorities and are subjudice at present. Further the Managements view on the above mentioned qualifications are as mentioned at point no. e below.			



2. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of Audit qualification: Nil

ii. If management is unable to estimate the impact, reason for the same:

1. The Auditors' report on the standalone financial results for the year ended on 31st March, 2020 contains qualification regarding transactions entered by company during f.y. 2012-13 through trading and clearing member with NSEL. With respect to the said qualification it is to be submitted that National spot Exchange Limited (NSEL) has served a notice to N K Proteins Private Limited (Formerly known as N K Proteins Limited) who was a Trading and Clearing Member at NSEL and N K Industries Limited was only a client Company of Trading Member i.e. N K Proteins Limited. As regards, the balances of trade receivables and trade payables arising out of the transactions through NSEL platform, the same cannot be confirmed pursuant to the pendency of litigations and as the matter is still pending before the respective authorities. Further, the Home Department, Government of Maharashtra has issued a notification under the MPID Act, 1999 securing the attachment of Land & Building and Plant & Machinery of the Company. Against this the Company had challenged the notification issued by Home department, Government of Maharashtra, before the Hon'ble High Court of Gujarat. The Hon'ble Gujarat High Court had disposed off the application of the Company vide its order dated 29th March 2017. Against the said order the Company had preferred a Special Leave Petition before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India had disposed off the Special Leave Petition on 17/04/2017, with an observation to file an application before the Hon'ble Bombay High Court. The Company has filed petition before the Hon'ble Bombay High Court in June 2017. Besides the above, the Company has also filed its objections against the attachment notification before the Designated Spl MPID Court, Mumbai. The matter is subjudice.
2. With regard to search and seizure carried out by the Directorate of Enforcement, Government of India on 30.05.2018 on the group company NKPPL, the Company along with group Company and Promoters challenged the show cause notice issued by the adjudicating authority New Delhi, before the Hon'ble High Court of Delhi and the Hon'ble High Court has set aside the show cause notice. Further against the attachment of the assets of the Company, the Company has issued fresh show cause dated 30/08/2018 and the Company has filed an appeal before the PMLA Appellate Tribunal, Delhi.
3. The Government of Maharashtra has filed supplementary charge sheet dated 25th December, 2018, under the MPID Act against the Company and the Chairman. The Company has complied with all the summons under the said charge sheet and the matter was adjourned to 7th November, 2019 and further adjourned to 15th February, 2020, 7th March, 2020, 30th April, 2020, 21st May, 2020 and new date of hearing is not yet updated .

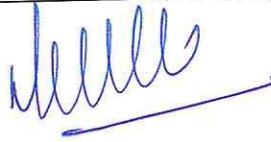


iii. Auditor's Comments on (I) or (ii) above:

We have qualified our report with respect to various transactions entered into by the Company on NSEL Platform and the matter is presently pending before various courts/statutory authorities and accordingly it is subjudice and not determinable. The quantification of amount can be determined only upon the receipt of judgment from the respective authorities and till that time neither the Company nor we as auditors, can quantify the impact of the same on the financial results of the Company.

III. Signatories:

- CEO/ Managing Director



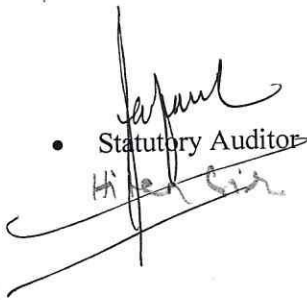
- CFO
Ashwinbhai



- Audit Committee Chairman
Snehalbhai



- Statutory Auditor



Place: Ahmedabad
Date: 01/06/2020