



**N.K.
Industries Ltd**

18th May, 2019

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 Audited Financial Results for the Quarter and Year ended on March 31, 2019.

Please take note that the Board of Directors of the Company at its meeting held today i.e. 18th May, 2019, has approved the Standalone & Consolidated Audited Financial Results of the Company for the quarter and year ended on 31st March, 2019.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the following:

1. Audited Standalone & Consolidated Financial Results for the quarter and year ended March 31, 2019.
2. Statutory Auditors Reports on the Standalone and Consolidated Financial Results for the year ended on March 31, 2019.
3. Annexure-I (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 01:00 PM and the meeting concluded at 3:45 PM.

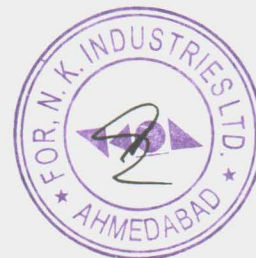
Kindly take note of the same.

Thanking you,

Yours Faithfully,
N K INDUSTRIES LIMITED

AKANKSHA SRIVASTAVA
(Company Secretary & Compliance Officer)

Encl: As Above



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India.

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CIN No. : L91110GJ1987PLC009905



**Auditor's Report On Quarterly Financial Results and Year to Date Results
of N.K.INDUSTRIES LIMITED pursuant to the Regulation 33 of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

To
Board of Directors of
N.K. INDUSTRIES LIMITED,
Ahmedabad.

✓ We have audited the accompanying statement of Standalone financial results of **N. K. INDUSTRIES LIMITED** (the Company) for the Quarter and year ended 31st March, 2019, attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing obligations & Disclosure Requirements) Regulation, 2015, read with SEBI circular No. CIR/CFD/FAC/62/2016 dated 05TH July, 2016.

This Statement is the responsibility of the Company's Management and is approved by the Board of Directors. The Statement, as it relates to the quarter ended on 31st March 2019, has been compiled from the related interim condensed standalone financial statements prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") and as it relates to the year ended March 31, 2019, has been compiled from the related annual financial statements prepared in accordance with Indian Accounting Standards, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audits of such interim condensed standalone financial statements and annual standalone financial statements



We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Basis of 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 NKPL and also against the company by filing a civil suit in the Hon'ble High Court of Mumbai 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 vides 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 , 2019.

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 machinery 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 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 it's aApplication 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 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 , 2019.

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 them to remain present on 26th April 2019.The Company has complied with the said summons and the matter is adjourned to 2nd August,2019. 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 31.03.2019.



In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph these Quarterly and year to date Financial Results;

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular No. CIR/CFD/FAC/62/2016 dated 05TH July, 2016.
- (ii) give a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the loss, total comprehensive income and other financial information for the quarter & year ended on 31st March, 2019.

Emphasis of Matters

1. **We draw attention to Note 29 to the Standalone Financial Statements and according to the same , the company is having accumulated losses of Rs 335.07 Crores as at 31.3.2019 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 subsidiaries company ,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 made in the said subsidiary companies has been made in the books of accounts.**



2. Attention is invited to note 34 of the Standalone 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. 24 of the notes forming part of accounts. 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 26 of the Standalone 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 36 of the Standalone 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 lacs 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. 24 of the notes forming part of accounts.



5. Attention is invited to Note 41 of the Standalone Financial Statements which states that the balance confirmation from the suppliers, customers as well as to various loans or advances given have been called for, but the same are awaited till the date of audit. Thus, the balances of receivables, trade payables as well as loans and advances 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 37 of the standalone financial statements)

Our opinion is not modified in respect of the above matters.

Place: AHMEDABAD

DATE: 18.05.2019



FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS
FRNNO 107525W


(C.A Dr Hiten Parikh)
PARTNER
M.No.40230



Auditor's Report On Quarterly Consolidated Financial Results and Year to Date Results of N. K. INDUSTRIES LIMITED pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
**Board of Directors of
N.K INDUSTRIES LIMITED
Ahmedabad.**

We have audited the accompanying Statement of Consolidated 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 Quarter and year ended 31st March, 2019, attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing obligations & Disclosure Requirements) Regulation, 2015, read with SEBI circular No. CIR/CFD/FAC/62/2016 dated 05TH July, 2016.

This Statement is the responsibility of the Company's Management and is approved by the Board of Directors. The Statement, as it relates to the quarter ended on 31st March 2019, has been compiled from the related interim condensed standalone financial statements prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") and as it relates to the year ended March 31, 2019, has been compiled from the related annual financial statements prepared in accordance with Indian Accounting Standards, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audits of such interim consolidated financial statements and annual consolidated financial statements

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our audit opinion.

Basis of 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 NKPL and also against the Holding company by filing a civil suit in the Hon'ble High Court of Mumbai 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 vides 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 , 2019.

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 machinery 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 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 a 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 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 , 2019.

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 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 is adjourned to 2nd August, 2019. 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 31.03.2019



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)(Group Company) by way of purchase and sales of various goods up to financial year 2012-13. The trade payables and trade receivables (now reflected under long term liabilities & other noncurrent 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 group 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.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph these Consolidated Quarterly financial results as well as consolidated year to date Results;

- (i) Include the quarterly financial results and year to date of the following entities.

- a) Banpal Oilchem Private limited
- b) NK Oil mills Private limited.
- c) Tirupati Retail (India) Pvt Ltd.

- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular No. CIR/CFD/FAC/62/2016 dated 05TH July, 2016.

And



- (iii) give a true and fair view in conformity with the Indian Accounting standards and other accounting principles generally accepted in India of the Consolidated net loss and total comprehensive income for the period and other financial information of the Group for the quarter & year ended on 31st March, 2019.

Emphasis of Matters

1. **We draw attention to Note 29 to the Consolidated financial statements which states that the Consolidated accounts reflects accumulated losses of Rs 336.75 Crores as at 31.3.2019 and the net worth of the Consolidated accounts as well as Holding Company and Subsidiary Companies as at 31.03.2019 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 34 of the Consolidated 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. 23 of the notes forming part of consolidated accounts. 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 26 of the consolidated 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 as 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 37 of the Consolidated 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 36 of the Consolidated 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. 23 of the notes forming part of consolidated Financial Statements.



5. Attention is invited to Note 41 of the Consolidated financial statements which states that the balance confirmation from the suppliers, customers as well as to various loans or advances given have been called for of 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 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 is invited to Note No 35 of the Consolidated 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 39 of the Consolidated 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 44 of the Consolidated Financial Statements, where in case of one of 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 40 of the Consolidated 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 42 of the Consolidated 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. 23 of the notes forming part of consolidated financial statement accounts. 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 43 of the standalone financial statements)

Our opinion is not modified in the above matters.

We did not audit the financial Statements of two of the Subsidiary included in the consolidated quarterly financial result and consolidated year to date results, whose consolidated interim financial statements reflect total assets of Rs 1563.74 Crores as at 31st March 2019, as well as the total revenue of Rs 19.50 crores as at 31st March 2019. These interim financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion on the quarterly financial results and the year to date results, to the extent they have been derived from such interim financial statements is based solely on the report of such other auditor.

Our opinion on the statement is not modified in respect of the above matters.

Place: AHMEDABAD



DATE : 18.05.2019

For PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS
FRNNO 107525W


(C.A Dr Hiten Parikh)
PARTNER
M.No.40230

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)

Standalone and Consolidated Audited Financial Results For The Year Ended On 31st March, 2019

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

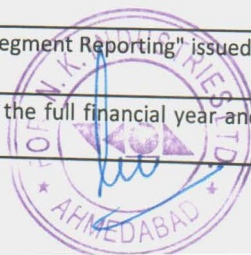
Part I		Standalone					Consolidated	
		Quarter Ended on			Year Ended		Year Ended	
Particulars	31/03/2019 Audited	31/12/2018 Unaudited	31/03/2018 Audited	31/03/2019 Audited	31/03/2018 Audited	31/03/2019 Audited	31/03/2018 Audited	
1	Income from operations							
	(a) Net Sales / Income From Operations (net of Excise Duty)	11,494.84	6,510.37	1,814.16	49,631.11	11,283.75	51,591.73	
	(b) Other Operating Income	135.09	66.66	33.69	427.41	61.18	447.50	
	Total Income (1)	11,629.93	6,577.03	1,847.85	50,058.52	11,344.92	52,039.23	
2	Expenses							
	a) Cost of materials consumed	12,221.25	2,878.69	-	46,209.61	-	46,188.88	
	b) Purchase of stock-in-trade	(48.14)	97.72	(140.56)	1,914.82	5,007.50	2,080.88	
	c) Changes in inventories of finished goods, work-in-progress and stock in trade	(1,177.72)	3,080.08	-	(1,181.29)	297.14	(1,176.56)	
	d) Excise Duty and Service Tax	-	-	-	-	-	-	
	e) Employee benefits expenses	213.64	222.81	241.31	904.80	928.95	1,286.36	
	f) Finance Cost	0.31	3.74	0.79	4.48	0.84	13.38	
	g) Depreciation and amortisation expenses	190.21	147.60	171.53	671.41	969.48	712.45	
	h) Other expenses	567.30	2,450.22	1,334.31	4,342.88	4,397.06	5,639.52	
	Total Expenditure	11,966.85	8,880.87	1,607.38	52,866.72	11,600.97	54,744.92	
3	Profit / (Loss) before exceptional item (1-2)	(336.92)	(2,303.84)	240.46	(2,808.20)	(256.05)	(2,705.69)	
4	Exceptional Items	-	-	-	-	-	-	
5	Profit / (Loss) before tax (3-4)	(336.92)	(2,303.84)	240.46	(2,808.20)	(256.05)	(2,705.69)	
6	Tax expense	879.69	(46.50)	(35.56)	879.69	(41.55)	(840.74)	
7	i) Current Tax	-	-	-	-	-	54.55	
8	ii) Deferred Tax	879.69	(46.50)	(35.56)	879.69	(41.55)	(895.30)	
9	Profit / (Loss) for the period (5-6)	542.77	(2,350.34)	276.02	(1,928.52)	(297.59)	(1,864.95)	
	Other Comprehensive Income (OCI)							
i	items that will not be reclassified to Profit & Loss	12.42	(4.83)	(19.45)	(2.11)	(19.39)	(2.11)	
ii	Income taxes relating to items that will not be reclassified to profit or loss	0.66	-	-	0.66	5.99	-	
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)	13.08	(4.83)	(19.45)	(1.45)	(13.40)	(1.45)	
	Total Comprehensive Income for the period (9+10)	555.84	(2,355.17)	256.57	(1,929.97)	(310.99)	(1,866.41)	
11	Paid-Up Equity Share Capital of Rs. 10 Each	600.99	600.99	600.99	600.99	600.99	600.99	
	Earnings per share (for continuing operation) (of `10/- each):							
i	(a) Basic	9.03	(39.11)	4.59	(32.09)	(4.95)	(31.06)	
	(b) Diluted	9.03	(39.11)	4.59	(32.09)	(4.95)	(31.06)	
	Earnings per share (for discontinued operation) (of `10/- each):							
ii	(a) Basic	9.03	(39.11)	4.59	(32.09)	(4.95)	(31.06)	
	(b) Diluted	9.03	(39.11)	4.59	(32.09)	(4.95)	(31.06)	

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 18th May, 2019, 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 last 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 2019 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 Auditors' report on the standalone financial results for the year ended on 31st March, 2018 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.

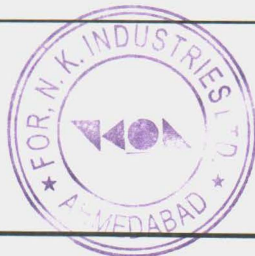
7. The Auditors' report on the standalone and consolidated financial results for the year ended on 31st March, 2019 contains qualification regarding proceedings initiated by the Directorate of Enforcement under the Prevention of Money Laundering Act, 2002. With respect to the said qualification it is 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.

8. 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 is now adjourned to 02/08/2019. Therefore the matter is sub-judice.

9. With regard to the Audit qualification on consolidated financial results the mangement has to clarify that 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 made our Company a party to the said proceedings, the matter is subjudice and still pending before the respective Authorities.

10. 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
18th May,2019



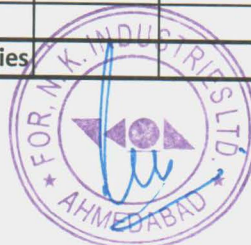
For, N.K. Industries Limited

Nilesh K. Patel (DIN: 00244115)
Managing Director

AUDITED STANDALONE BALANCE SHEET

(') In Lakhs

S.No.	PARTICULARS	Note No.	31-Mar-2019	31-Mar-2018
	1	2	3	4
	ASSETS			
1	Non-current assets			
a)	Property, Plant and Equipment	8	13 492.31	13 872.93
b)	Capital work-in-progress	8	534.26	542.23
c)	Investment Property			
d)	Goodwill			
e)	Other Intangible assets	8	.32	.35
f)	Intangible assets under development			
g)	Biological Assets other than bearer plants			
h)	Financial Assets			
(i)	Investments	9	176.86	188.39
(ii)	Trade receivables	10		
(iii)	Loans	11	6 682.65	6 682.63
(iv)	Security Deposits			
i)	Deferred tax assets (net)		2 206.01	1 325.66
j)	Other non-current assets	12	5 229.29	5 170.67
2)	Current assets			
a)	Inventories	13	2 358.46	473.27
b)	Financial Assets			
(i)	Investments			
(ii)	Trade receivables	14	3 236.39	3 946.13
(iii)	Cash and cash equivalents	15	587.60	36.13
(iv)	Bank balances other than (iii) above	16	48.29	44.15
(v)	Loans	17	204.71	268.31
(vi)	Others (to be specified)			
c)	Current Tax Assets (Net)			
d)	Other current assets	18	135.35	40.56
	TOTAL ASSETS		34 892.50	32 591.42
	EQUITY & LIABILITIES :			
	EQUITY:			
a)	Equity Share capital	1	600.99	600.99
b)	Other Equity	2	(33 507.72)	(31 577.75)
	LIABILITIES :			
1)	Non-Current Liabilities			
a)	Financial Liabilities			
(i)	Borrowings			
(ii)	Trade payables	3	62 609.99	62 609.99
(iii)	Other financial liabilities (other than those specified in item			
b)	Provisions	4	306.89	271.92
c)	Deferred tax liabilities (Net)			
d)	Other non-current liabilities			
2)	Current liabilities			
a)	Financial Liabilities			
(i)	Borrowings			
(ii)	Trade payables	5	4 721.34	505.94
(iii)	Other financial liabilities (other than those specified in ite			
b)	Other current liabilities	6	100.79	116.51
c)	Provisions	7	60.22	63.82
d)	Current Tax Liabilities (Net)			
	Total Equity and Liabilities		34 892.50	32 591.42



N K Industries Limited

Consolidated Balance Sheet as at 31st March 2019

(') In Lakhs

S.No.	Particulars	Note No.	31-Mar-2019	31-Mar-2018
	1	2	3	4
	ASSETS			
1	Non-current assets			
a)	Property, Plant and Equipment	8	13812.98	14234.64
b)	Capital work-in-progress	8	534.26	542.23
c)	Investment Property		-	-
d)	Goodwill	8	8236.24	8236.24
e)	Other Intangible assets		-	-
f)	Intangible assets under development	8	0.32	0.35
g)	Biological Assets other than bearer plants		-	-
h)	Financial Assets		-	-
(i)	Investments	9	8.53	20.06
(ii)	Trade receivables	10	152180.02	152180.02
(iii)	Loans	11	267.16	266.37
(iv)	Other Financial Assets		-	-
i)	Deferred tax assets (net)		2297.78	1401.82
j)	Other non-current assets	12	4339.12	3777.37
2)	Current assets		-	-
a)	Inventories	13	2385.57	511.99
b)	Financial Assets		-	-
(i)	Investments		-	-
(ii)	Trade receivables	14	3532.36	4081.82
(iii)	Cash and cash equivalents	15	605.30	67.93
(iv)	Bank balances other than (iii) above	16	48.29	44.15
(v)	Loans	17	158.61	143.26
(vi)	Others (to be specified)		-	-
c)	Current Tax Assets (Net)		-	-
d)	Other current assets	18	51.51	58.42
	TOTAL ASSETS		188458.04	185566.68
	EQUITY & LIABILITIES :			
	EQUITY:			
a)	Equity Share capital	1	600.99	600.99
b)	Other Equity	2	-33675.13	-31808.73
	LIABILITIES :		-	-
1)	Non-Current Liabilities			
a)	Financial Liabilities		-	-
(i)	Borrowings		-	-
(ii)	Trade payables	3	215482.46	215760.79
(iii)	Other financial liabilities (other than those specified in item (b), to be specified)		-	-
b)	Provisions	4	306.89	271.92
c)	Deferred tax liabilities (Net)		-	-
d)	Other non-current liabilities		-	-
2)	Current liabilities			
a)	Financial Liabilities		-	-
(i)	Borrowings		-	-
(ii)	Trade payables	5	4717.71	479.29
(iii)	Other financial liabilities (other than those specified in item (b), to be specified)		-	-
b)	Other current liabilities	6	945.66	192.39
c)	Provisions	7	66.44	70.03
d)	Current Tax Liabilities (Net)	7	13.03	0.00
	Total Equity and Liabilities		188458.04	185566.68



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 31/03/2019 (as reported before adjusting for qualifications)	Audited Figures for the year ended 31/03/2019 (audited figures after adjusting for qualifications)
	1	Turnover/ Total income	50058.52	50058.52
	2	Total Expenditure	52866.72	52866.72
	3	Net Profit/ (Loss)	(1928.52)	(1,928.52)
	4	Earnings Per Share	(32.09)	(32.09)
	5	Total Assets	34892.50	34892.50
	6	Total Liabilities	67799.23	67799.23
	7	Net Worth	(32906.73)	(32906.73)
	8	Any other financial item (s) (as left appropriate by the management)	-	-
II.	<p><u>Audit Qualification (each audit qualification separately):</u></p> <p>a. Details of Audit Qualification: Modified opinion with Emphasis</p> <p>b. Type of Audit Qualification: Qualified Opinion</p> <ol style="list-style-type: none"> 1. Regarding transactions of the Company through trading and clearing member with NSEL. <ul style="list-style-type: none"> • 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 supplementary Charge sheet dated 25th December, 2018 filed by the Government of Maharashtra (at the instance of Economic wing Office, Mumbai) under the various sections of IPC AND MPID Act. <p>4. Frequency of qualification:</p> <ol style="list-style-type: none"> 1. Repetitive from the financial year ended on 31st March, 2013 <ul style="list-style-type: none"> • Repetitive from the financial year ended on 31st March, 2015. 2. Repetitive from the financial year ended on 31st March, 2015. 3. Appeared for the first in the Standalone Audit Report. <p>1. For Audit Qualification (s) where the impact is quantified by the auditor, Management's Views:</p> <p>The Auditors have not quantified the impact of their qualifications on the financial statements</p>			

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 sub-judice.

2. With respect to point no.2 of qualified opinion of Auditors Report, 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 is now adjourned to 02/08/2019. Therefore the matter is sub-judice.

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



- Audit Committee Chairman



• Statutory Auditor



Place: Ahmedabad

Date: 18/05/2019

ANNEXURE-I

For Consolidated Financial Statement

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 on 31/03/2019 (as reported before adjusting for qualifications)	Audited Figures for the year ended on 31/03/2019 (Audited figures after adjusting for qualifications)
	1	Turnover/ Total income	52039.23	52039.23
	2	Total Expenditure	54744.92	54744.92
	3	Net Profit/ (Loss)	(1864.95)	(1864.95)
	4	Earnings Per Share	(31.06)	(31.06)
	5	Total Assets	34892.50	34892.50
	6	Total Liabilities	67799.23	67799.23
	7	Net Worth	-32906.73	-32906.73
	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 supplementary Charge sheet dated 25th December, 2018 filed by the Government of Maharashtra (at the instance of Economic wing Office, Mumbai) under the various sections of IPC AND 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			

d. 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.

e. 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 is now adjourned to 02/08/2019. 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 made our Company a party to the said proceedings, the matter is subjudice 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 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



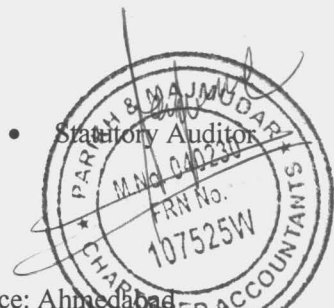
- CFO



- Audit Committee Chairman



- Statutory Auditor



Place: Ahmedabad

Date: 18/05/2019