N.K.
Industries Ltd

26th July, 2016

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**	**Bombay Stock Exchange Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. **Company Code No. 519494**

Dear Sir/Madam,

Sub: Statement on Impact of Audit Qualifications (Annexure I) for the year ended on March 31, 2016.

This is with reference to Notification No. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016 issued by the Securities and Exchange Board of India (SEBI), we are hereby enclosing the Statement of Impact of Audit Qualifications (for audit report with un-modified opinion) for the financial year ended on 31st March, 2016 on Standalone and Consolidated financial Statements.

Kindly take the same on records.

Thanking you,

Yours Faithfully,

For, N K INDUSTRIES LIMITED

HKPatel

Mr. Hasmukh K. Patel (DIN: 06587284)
Whole Time Director
Encl: As Above

FOR, N. K. INDUSTRIES LTD. AHMEDABAD

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

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

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

CIN No. : L91110GJ1987PLC009905

ANNEXURE-I

For Consolidated Financial Statement

Name of the Company: N K Industries Limited

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

(Rs. Lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/ Total income	10521.23	10521.23
	2	Total Expenditure	11114.77	11114.77
	3	Net Profit/ (Loss)	(433.47)	(433.47)
	4	Earnings Per Share	(7.21)	(7.21)
	5	Total Assets	32340.32	32340.32
	6	Total Liabilities	63944.23	63944.23
	7	Net Worth	(31603.91)	(31603.91)
	8	Any other financial item (s) (as left appropriate by the management)	-	-

II. **Audit Qualification (each audit qualification separately):**

a. **Details of Audit Qualification:** Un-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 the notification by the Home Department, Government of Maharashtra 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

c. **Frequency of qualification**:

1. Repetitive from the financial year ended on 31st March, 2013
- Repetitive from the financial year ended on 31st March, 2015
2. Repetitive from the financial year ended on 31st March, 2015

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 qualifications are pending before various Courts/Statutory authorities and are sub-judice at present. Further the Management's 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:** Unable to estimate. **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 balance 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 has issued a notification attaching the properties of the Company. However the Company has challenged the said notification before the Hon'ble High Court of Gujarat and the matter is sub judice. 2. With respect to point no. 2 of qualified opinion of the Auditors Report it is hereby clarified that the Company has preferred an appeal before the Hon'ble Appellate Tribunal under the Prevention of Money Laundering Act, 2002. The matter is sub-judice. **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 lying at various Courts/Statutory authorities and accordingly it is sub-judice. The quantification of amount can be determined only upon the receipt of judgment from the respective authorities and till that time neither we as auditor nor the Company can quantify the impact of the same on the financial results of the Company.
III.	Signatories • CEO/ Managing Director FOR, N. K. INDUSTRIES LTD. AHMEDABAD • CFO

- Audit Committee Chairman

FOR, N.K. INDUSTRIES LTD. AHMEDABAD

- Statutory Auditor

FOR, PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS

PARTNER
MN040230
FRN 107522W

Place: Ahmedabad
Date: 26/07/2016

ANNEXURE-I

Name of the Company: N K Industries Limited

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

(Rs. Lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/ Total income	8403.42	8403.42
	2	Total Expenditure	8713.51	8713.51
	3	Net Profit/ (Loss)	(242.91)	(242.91)
	4	Earnings Per Share	(4.04)	(4.04)
	5	Total Assets	31,854.23	31,854.23
	6	Total Liabilities	63270.15	63270.15
	7	Net Worth	(31,415.92)	(31,415.92)
	8	Any other financial item (s) (as left appropriate by the management)	-	-

II. **Audit Qualification (each audit qualification separately):**

a. **Details of Audit Qualification:** Un-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 the notification by the Home Department, Government of Maharashtra 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

c. **Frequency of qualification**:

1. Repetitive from the financial year ended on 31st March, 2013
- Repetitive from the financial year ended on 31st March, 2015
2. Repetitive from the financial year ended on 31st March, 2015

d. **For Audit Qualification (s) where the impact is quantified by the auditor, Management's Views:**
The Auditors have not quantified the impact of the qualifications on the financial statements of the Company as the matters pertaining to the qualifications are pending before various Courts/Statutory authorities and are sub-judice at present. Further the Management's 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:** Unable to estimate. **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 balance 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 has issued a notification attaching the properties of the Company. However the Company has challenged the said notification before the Hon'ble High Court of Gujarat and the matter is sub judice. 2. With respect to point no. 2 of qualified opinion of the Auditors Report it is hereby clarified that the Company has preferred an appeal before the Hon'ble Appellate Tribunal under the Prevention of Money Laundering Act, 2002. The matter is sub-judice. **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 lying at various Courts/Statutory authorities and accordingly it is sub-judice. The quantification of amount can be determined only upon the receipt of judgment from the respective authorities and till that time neither we as auditor nor the Company can quantify the impact of the same on the financial results of the Company.
III.	Signatories: • CEO/ Managing Director FOR, N. K. INDUSTRIES LTD. AHMEDABAD • CFO

- Audit Committee Chairman

- Statutory Auditor

FOR, PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS

PARTNER
M.No. 040230
FRN. 104525W

FOR, N. K. INDUS
AHMEDABAD

Place: Ahmedabad
Date: 26/07/2016