

N.K. Industries Ltd

21st May, 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
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Dear Sir/Madam,

Sub: Submission of Audited Financial Results for the quarter and year ended on March 31, 2016.

Please take note that the Board of Directors of the Company at its meeting held today i.e. 21st May, 2016, has approved the Standalone & Consolidated Financial Results of the Company for the quarter ended 31st March, 2016.

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, 2016.
2. Statutory Auditors Reports on the Standalone and Consolidated Financial Results for the year ended on March 31, 2016.
3. Form B (for audit report with un-modified opinion) – Standalone & Consolidated.

The meeting of Board of Directors of the Company commenced at 3.00 P.M. and the meeting concluded at 5.50.

Kindly take the same on records.

Thanking you,

Yours Faithfully,
For, N K INDUSTRIES LIMITED


Mr. NILESH K. PATEL (DIN: 00244115)
MANAGING DIRECTOR

Encl: As Above



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Popular House, Ashram Road,
Ahmedabad - 380 009.
India.

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

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

CIN No. : L91110GJ1987PLC009905



N.K. Industries Limited

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

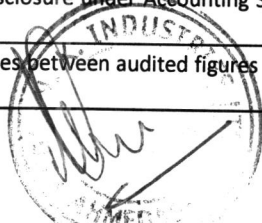
Works : 745, Kadi-Thor Road, KADI-382715 Dist.Mehsana (North Gujarat)

Standalone Audited Financial Results For The Quarter and Year Ended On 31st March, 2016

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

Part I	Particulars	Standalone					(₹) In Lacs
		Quarter Ended on			Year Ended		Consolidated
		31/03/2016 (Audited)	31/12/2015 (Unaudited)	31/03/2015 (Audited)	31/03/2016 (Audited)	31/03/2015 (Audited)	31/03/2016 (Audited)
1	Income from operations						
	(a) Net Sales / Income From Operations (net of Excise Duty)	2,850.40	1,761.08	946.88	8,403.42	6,709.82	10436.55
	(b) Other Operating Income				-	-	
	Total Income from operations (net)	2,850.40	1,761.08	946.88	8,403.42	6,709.82	10436.55
2	Expenses						
	a) Cost of materials consumed	-	-	-	-	-	-
	b) Purchase of stock-in-trade	1,242.82	1,082.80	(5.52)	4,770.20	4,392.88	5198.03
	c) Changes in inventories of finished goods, work-in-progress and stock in trade	(247.92)	36.85	(22.85)	(289.93)	114.04	(289.92)
	d) Employee benefits expenses	185.24	139.74	131.53	582.95	483.83	891.10
	e) Depreciation and amortisation expenses	313.07	314.79	2,208.39	1,245.25	2,422.37	1330.55
	f) Other expenses	728.56	509.14	738.63	2,403.48	1,834.39	3982.24
	Total Expenditure	2,221.76	2,083.32	3,050.18	8,711.94	9,247.50	11112.00
3	Profit /(Loss) from operations before other income, interest and exceptional item (1-2)	628.64	(322.25)	(2,103.30)	(308.52)	(2,537.68)	(675.45)
4	Other Income / (Loss)	44.35	13.22	(7.02)	67.18	86.02	84.68
5	Profit /(Loss) from ordinary activities before finance cost and exceptional items (3 + 4)	672.99	(309.03)	(2,110.32)	(241.34)	(2,451.66)	(590.77)
6	Finance costs	0.63	0.27	1.92	1.57	12.99	2.76
7	Profit /(Loss) from ordinary activities after finance cost but before exceptional items (5 + 6)	672.36	(309.30)	(2,112.24)	(242.91)	(2,464.65)	(593.53)
8	Exceptional Items	-	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7 + 8)	672.36	(309.30)	(2,112.24)	(242.91)	(2,464.65)	(593.53)
10	Tax expense	-	-	-	-	-	160.06
11	Net Profit / (Loss) from ordinary activities after tax (9 + 10)	672.36	(309.30)	(2,112.24)	(242.91)	(2,464.65)	(433.47)
12	Extraordinary items (net of tax exp. Rs. Lakhs)	-	-	-	-	-	-
13	Net Profit / (Loss) for the period (11+12)	672.36	(309.30)	(2,112.24)	(242.91)	(2,464.65)	(433.47)
14	Share of profit / (loss) of associates*						
15	Minority interest *						
16	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 + 14 + 15) *	672.36	(309.30)	(2,112.24)	(242.91)	(2,464.65)	(433.47)
17	Paid-Up Equity Share Capital of Rs. 10 Each	600.99	600.99	600.99	600.99	600.99	600.99
18	Reserve Excluding Revaluation Reserves as per Balance sheet of Previous accounting year	(47,902.57)	(48,574.93)	(47,659.66)	(47,902.57)	(47,659.66)	-48090.55
19.i	Earnings per share (before extraordinary items) (of `10/- each) (not annualised):						
	(a) Basic	11.19	(5.15)	(35.15)	(4.04)	(41.01)	(7.21)
	(b) Diluted	11.19	(5.15)	(35.15)	(4.04)	(41.01)	(7.21)
19.ii	Earnings per share (after extraordinary items) (of `10/- each) (not annualised):						
	(a) Basic	11.19	(5.15)	(35.15)	(4.04)	(41.01)	(7.21)
	(b) Diluted	11.19	(5.15)	(35.15)	(4.04)	(41.01)	(7.21)
Notes:							

- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 21st May, 2016, 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 third quarter of the respective financial years.

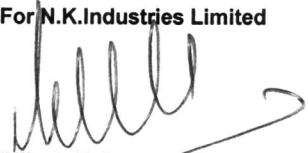


4. Figures of the previous period/year have been regrouped/reclassified wherever necessary to make them comparable with figures of the current period/year ended on March, 31 2016
5. During the year Company has acquired two wholly own subsidiaries namely M/s. Banpal Oilchem Private Limited and M/s. N K Oil Mills Private Limited on 18/07/2015 and 08/09/2015 respectively.
6. The Company has not consolidated the accounts of Joint Venture Company M/s. AWN Agro Private Limited as jointly controlled entity is significantly impair in its ability to transfer funds to the venture
7. The Auditors' report on the standalone financial results for the year ended on 31st March, 2016 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 balance of trade receivables and trade payables arising out of the transactions through NSEL, the same cannot be confirmed pursuant to the pendency of litigations and as the matter is still pending before the respective authorities.
8. The Auditors' report on the standalone financial results for the year ended on 31st March, 2016 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 to be submitted that the Company has filed its detailed response with the Auditing Authority (PMLA) New Delhi. The matter is sub-judice.
9. The above consolidated figures have been prepared in accordance with the principles and procedures as set out in Accounting Standard-21 on 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India

Ahmedabad
21ST MAY, 2016



For N.K. Industries Limited


(Niles K. Patel)
MANAGING DIRECTOR



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 Audited Financial Results For The Quarter and Year Ended On 31st March, 2016

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

Part II

(₹) In Lacs

Statement of Assets and Liabilities

	Standalone		Consolidated
Standalone/Consolidated Statement of Assets and Liabilities	Year Ended 31/03/2016	Year ended 31/03/2015	Year Ended 31/03/2016
Particulars			
A. EQUITY AND LIABILITIES			
1. Shareholder's Fund			
(a) Share Capital	600.99	600.99	600.99
(b) Reserves and surplus	-32016.91	-31774	-32204.89
(c) Money received against Share warrants	-	-	-
Sub-total-Shareholder's funds	-31415.92	-31173.01	-31603.9
2. Share application money pending allotment	-	-	-
3. Minority interest*	-	-	-
4. Non-current liabilities	-	-	-
(a) Long-term Borrowings	-	-	-
(b) Deferred tax liabilities (net)	-	-	-
(c) Other Long term Liabilities	62761.9	62761.9	63197.19
(d) Long term provisions	249.88	231.25	249.88
Sub-total-Non-current liabilities	63011.78	62993.15	63447.07
5. Current Liabilities			
(a) Short term borrowings	-	-	-
(b) Trade Payables	169.77	3998.49	353.23
(c) Other Current Liabilities	64.28	52.15	119.6
(d) Short term Provisions	24.33	18.22	24.32
Sub-total-Current Liabilities	258.38	4068.86	497.15
TOTAL-EQUITY AND LIABILITIES	31854.24	35889	32340.32
B. ASSETS			
1. Non-current assets			
(a) Fixed assets	15159.52	16294.61	17936.48
(b) Goodwill on consolidation*	0	0	0
(c) Non-current investments	187.34	11.77	19.41
(d) Deferred tax assets (Net)	0	0	85.63
(e) Long-term loans and advances	11892.61	11722.28	9572.81
(f) Other non-current assets	418.81	2480.09	418.81
Sub-total-non-current assets	27658.28	30508.75	28033.14
2. Current assets			
(a) Current investments	0	0	0
(b) Inventories	634.21	251.14	672.03
(c) Trade receivables	3403.16	4111.55	3403.31
(d) Cash and cash equivalents	100.19	140.23	124.11
(e) Short-term loans and advances	58.4	877.33	107.73
(f) Other current assets	0	0	0
Sub-total-Current assets	4195.96	5380.25	4307.18
Total-Assets	31854.24	35889	32340.32

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

We have audited the quarterly Consolidated financial results of N.K.INDUSTRIES LIMITED (the Company) and the consolidated year to date financial results for the quarter ended 31st March, 2016, and the consolidated year to date financial results for the period from April 1, 2015 to March 31, 2016 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These consolidated Quarterly Financial Results as well as the consolidated year to date financial results have been prepared on the basis of the consolidated interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these Consolidated Financial Results based on our audit of such Consolidated Financial Statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting AS 25 prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued there under; and other accounting principles generally accepted in India.

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 did not audit the financial Statements of One 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 2.43 Crores as at 31st March 2016, as well as the total revenue of Rs 15.93 crores as at 31st March 2016. 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.

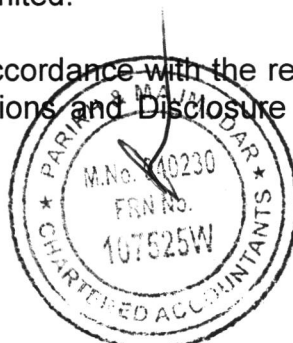


Basis of Qualified Opinion

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 transactions through National Spot Exchange Limited (NSEL) from the concerns other than the group concerns of the Holding Company are subject to confirmations by the respective parties and reconciliations/adjustments, if any. Further, NSEL has suspended the trading on 31.07.2013 and has initiated recovery proceedings against the group company NKPL and also against the Holding company 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. However , the Holding company has challenged the notification by Home department of Maharashtra in the Hon'ble Gujarat High Court . In view of the fact that the matter is subjudice , we are unable to quantify the final liability and its impact if any, on the profit or loss of the Holding company. (Refer Note no 32 of 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 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.However, matter is subjudice, we are unable to quantify the liability and its impact if any, on the profit or loss of the Holding company (Refer Note no 33 of financial Statements).

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.
- (ii) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and



- iii) Give a true and fair view of the consolidated net profit and other financial information for the quarter ended on March 31, 2016 as well as consolidated year to date results for the period from April 1, 2015 to 31st March, 2016.

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 322.04 Crores as at 31.3.2016 and the net worth of the Consolidated accounts as well as Holding Company and Subsidiary Companies is negative. The Holding company is registered and declared "Sick" by Hon'ble Board for Industrial & Financial Reconstruction under SICA Act. However, 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 no provision for the impairment has been made in the books of Holding company and accounts of the holding company 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 efforts made by the management, said subsidiary companies are also making sincere efforts to revive the business and the management of the said Subsidiary companies are 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 company & consolidated accounts and accounts of the subsidiary company 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 142A of the IT Act, 1961, for AY 2011-12 & A.Y 12-13. The department has raised a demand of Rs 210.82 (Rs150.49 crores for A.Y 11-12 & Rs 60.33 Crores for A.Y 12-13) 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. 24 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:

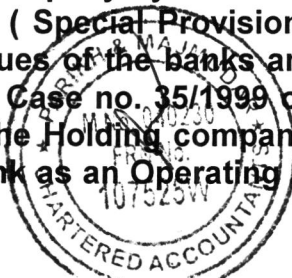
- 803, Manas Complex, Opp Star Bazaar , Nr Jodhpur Cross road, Satellite, Ahmedabad 380015.



- 403, 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

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 on Holding Company. In case of Holding company, the Income Tax Appellate Tribunal(ITAT),Ahmedabad had subsequently given relief to the extent of Rs. 28.84 Crores. The Holding company's appeal before the Hon'ble Gujarat High Court against addition confirmed by ITAT of Rs. 4.28 Crores is admitted. Pending the disposal of appeal by the Hon'ble High Court, the provision for Income Tax of Rs.2.88 Crores on addition confirmed by ITAT was made during F.Y.2002-03 and provision of Rs. 1.27 crore of interest payable up to 31.03.2005 was made in the accounts of the Holding Company and Consolidated accounts. Adhoc payments made against the outstanding demands are adjusted against principal amounts made by Holding Company. No provision is made in the Consolidated accounts for the interest payable by the Holding Company , if any, on the outstanding demand for the period from 1st April, 2005 till date as the Holding company is hopeful of getting favorable order from the Hon'ble Gujarat High Court.

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 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. 5554.43 lacs for the earlier years. The Holding company has not made any provision for the above demand raised by the sales tax authority in view of the fact that that 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 also invited to note 25 of the Consolidated financial statements which states that the Holding Company has been declared as a Sick Industrial Company by the BIFR under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985,On having settled all the compromise dues of the banks and IDBI, the BIFR has disposed off the first reference Case no. 35/1999 of the Holding Company. It has, however, registered the Holding companies subsequent references and appointed Canara Bank as an Operating Agency vide its order dated 1st



March, 2012 to prepare a Draft Rehabilitation Scheme (DRS) for its consideration.

6. 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.
7. Attention is invited to Note No 42 of the Consolidated financial statements which states that, during the year under review, an amount of Rs. 34.58 lacs was debited towards land development in the Subsidiary Company viz. Banpal Oil Chem Pvt Ltd and accordingly the same has been capitalised. The amount has been paid in cash and in view of non availability of specific third party evidences; the auditor of the said subsidiary company has relied upon the management certification towards payment of money for land development.
8. 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 Economic Offence Wing, Mumbai (EOW), has issued notice under the Maharashtra Protection of Interest of Depositors (in financial establishments)-Act, 1999 (MPID Act) for securing attachment of the Factory Plant, Land, Building & Plant & Machinery of the company located at plot No. 144/64 Mauje chandisar, Taluka-Palanpur, Dist- Banaskantha, Gujarat. As explained to us, The said Subsidiary company has filed its detailed response to such attachment notice before the Adjudicating authority (PMLA) New Delhi and matter is subjudice as on date
9. Attention is invited to Note 36 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 "AWN AGRO PRIVATE LIMITED" and hence no consolidation of the said joint venture is taken in the accounts while consolidation of accounts.

Our opinion is not modified in the above matters.

Place: AHMEDABAD

DATE :-21/05/2016



For PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS
FRNNO 107525W

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

**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

We have audited the Quarterly financial results of N.K.INDUSTRIES LIMITED (the Company) for the Quarter ended 31st March, 2016, and the year to date financial results for the period from April 1, 2015 to March 31, 2016 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These Quarterly Financial Results as well as year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these Financial Results based on our audit of such Financial Statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting AS 25 prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued there under; and other accounting principles generally accepted in India.

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 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 suspended the trading on 31.07.2013 and has initiated recovery proceedings against the group company NKPL and also against the company 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. However, the company has challenged the notification by Home department of Maharashtra in the Hon'ble Gujarat High Court. In view of the fact that the matter is subjudice, we are unable to quantify the final liability and its impact if any, on the profit or loss of the company. (Refer Note no 32 of 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 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. However, matter is subjudice, we are unable to quantify the liability and its impact if any, on the profit or loss of the company (Refer Note no 33 of financial Statements).

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) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the quarter ended on March 31, 2016 as well as year to date results for the period from April 1, 2015 to 31st March, 2016.

Emphasis of Matters

1. We draw attention to Note 29 to the financial statements which states that the company is having accumulated losses of Rs 320.16 Crores as at 31.3.2016 and the net worth of the company is negative. The company is registered and declared "Sick" by Hon'ble Board for Industrial & Financial Reconstruction under SICA Act. However, 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."



2. A) Attention is invited to note 34 of the 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 142A of the IT Act, 1961, for AY 2011-12 & A.Y 12-13. The department had raised a demand of Rs 210.82 (Rs150.49 crores for A.Y 11-12 & Rs 60.33 Crores for A.Y 12-13) 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 & 148.08.15 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.
- 403, 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

- B) Attention is invited to note 26 of the financial statements which states that 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 company, the Income Tax Appellate Tribunal (ITAT), Ahmedabad has subsequently given relief to the extent of Rs. 28.84 Crores. The company's appeal before the Hon'ble Gujarat High Court against addition confirmed by ITAT of Rs. 4.28 Crores is admitted. Pending the disposal of appeal by the Hon'ble High Court, the provision for Income Tax of Rs.2.88 Crores on addition confirmed by ITAT was made during F.Y.2002-03 and provision of Rs. 1.27 crore of interest payable up to 31.03.2005 was made in the accounts. Adhoc payments made against the outstanding demands are adjusted against principal amounts. No provision is made for the interest payable, if any, on the outstanding demand for the period from 1st April, 2005 till date as the company is hopeful of getting favorable order from the Hon'ble Gujarat High Court.



3. Attention is invited to note 36 of the financial statements which states that Sales Tax Department has completed the assessment for various assessment years and raised demand of Rs. 5554.43 lacs for the earlier years. The company has not made any provision for the above demand raised by the sales tax authority in view of the fact that the company has preferred an appeal before the appellate authority. The said amount has been shown as contingent liability under Note No. 24 of the notes forming part of accounts.
4. Attention is also invited to note 25 of the financial statements which states that the Company has been declared as a Sick Industrial Company by the BIFR under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985, On having settled all the compromise dues of the banks and IDBI, the BIFR has disposed off the first reference Case no. 35/1999 of the Company. It has, however, registered the companies subsequent references and appointed Canara Bank as an Operating Agency vide its order dated 1st March, 2012 to prepare a Draft Rehabilitation Scheme (DRS) for its consideration.
5. Attention is invited to Note 41 of the 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 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 company and are subject to confirmation from the respective parties.

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

Place: AHMEDABAD

DATE :- 21/05/2016

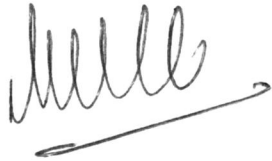
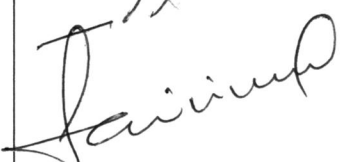


For PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS
FRNNO 107525W

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

Form B
(Audit Report with Un-Modified Opinion)
Pursuant to Regulation 33(4) of SEBI
(Listing Obligation and Disclosure Requirements) Regulations, 2016

1.	Name of the Company	N K Industries Limited (Standalone)
2.	Annual Financial statement for the year ended	Standalone Financial Results for the year ended on 31 st March, 2016
3.	Type of Audit qualifications	Un-Modified Opinion with Emphasis
4.	Frequency of qualification	Qualified Opinion 1:- Repetitive from the financial year ended on 31st March, 2013 • Repetitive from the financial year ended on 31st March, 2015. Qualified Opinion 2:- Repetitive from the financial year ended on 31st March, 2015.
	Drawn attention to relevant notes in the annual financial statements and management response to the qualification in the director's report:	1. Regarding transactions of the Company through trading and clearing member with NSEL. Management response: 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. • 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. Management response:

		Further, as also mentioned by the Auditors in their report the Home Department has issued a notification attaching the properties of the Company as mentioned in the Audit Report. The Company has challenged the said notification before the Hon'ble High Court of Gujarat. The matter is subjudice. 2. Regarding proceedings initiated by the Directorate of Enforcement under the Prevention of Money Laundering Act, 2002 Management response:- With respect to point no. 2 of qualified opinion of the Auditors Report it is to be 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.
	Additional comments from the board/audit committee chair:	There are certain additional observations made by the Auditors in their report under the head "Emphasis of Matter". The Board of Directors of the Company has satisfactorily replied the said observations in their Report for the year 2015-16.
1.	To be signed by- • Managing Director • CFO • Auditor of the Company • Chairman of Audit Committee	   

Form B
(Audit Report with Un-Modified Opinion)
Pursuant to Regulation 33(4) of SEBI
(Listing Obligation and Disclosure Requirements) Regulations, 2016

1.	Name of the Company	N K Industries Limited (Consolidated)
2.	Annual Financial statement for the year ended	Standalone Financial Results for the year ended on 31 st March, 2016
3.	Type of Audit qualifications	Un-Modified Opinion with Emphasis
4.	Frequency of qualification	Qualified Opinion 1:- Repetitive from the financial year ended on 31st March, 2013 • Repetitive from the financial year ended on 31st March, 2015. Qualified Opinion 2:- Repetitive from the financial year ended on 31st March, 2015.
	Drawn attention to relevant notes in the annual financial statements and management response to the qualification in the director's report:	1. Regarding transactions of the Company through trading and clearing member with NSEL. Management response: 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, the same cannot be confirmed pursuant to the pendency of litigations and as the matter is still pending before the respective authorities. • 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. Management response:

		Further, as also mentioned by the Auditors in their report the Home Department has issued a notification attaching the properties of the Company as mentioned in the Audit Report. The Company has challenged the said notification before the Hon'ble High Court of Gujarat. The matter is subjudice. 2. Regarding proceedings initiated by the Directorate of Enforcement under the Prevention of Money Laundering Act, 2002 With respect to point no. 2 of qualified opinion of the Auditors Report it is to be clarified that the Company has filed its detailed response with the Adjudicating Authority (PMLA) New Delhi. The matter is sub-judice.
	Additional comments from the board/audit committee chair:	There are certain additional observations made by the Auditors in their report under the head "Emphasis of Matter". The Board of Directors of the Company have satisfactorily replied the said observations in their Report for the year 2015-16.
1.	To be signed by- • Managing Director • CFO • Auditor of the Company • Chairman of Audit Committee	   