

# N.K. Industries Ltd

11<sup>th</sup> August, 2016

|                                                                                                                                                                                                 |                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>National Stock Exchange of India Limited</b><br>Exchange Plaza, Plot C-1, 'G' Block,<br>ISB Centre, Bandra-Kurla Complex,<br>Bandra (East), Mumbai-400 051.<br><b>Company Code No. NKIND</b> | <b>Bombay Stock Exchange Limited</b><br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Fort,<br>Mumbai - 400 001.<br><b>Company Code No. 519494</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|

Dear Sir/Madam,

**Sub:** Submission of Unaudited Standalone Financial Results for the quarter ended on 30<sup>th</sup> June, 2016

Please take note that the Board of Directors of the Company at its meeting held today i.e. 11<sup>th</sup> August, 2016, has approved the Unaudited Standalone Financial Results of the Company for the quarter ended 30<sup>th</sup> June, 2016.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Unaudited Standalone Financial Results for the quarter ended 30<sup>th</sup> June, 2016 along with the Limited review report on the said results.

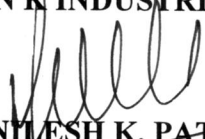
The meeting of Board of Directors of the Company commenced at 3:00 P.M. and the meeting concluded at 4:35 P.M.

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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Ahmedabad - 380 009.  
India.

Phone : 91-79-66309999  
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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

**REVIEW REPORT**

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

We have reviewed the accompanying statement of unaudited financial results ("the statement") of N.K.INDUSTRIES LIMITED "the company" for the quarter ended 30<sup>th</sup> June 2016. This statement is the responsibility of the Company's management and has been approved by the Board of Directors in their meeting held on 11<sup>th</sup> August 2016. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial information performed by the Independent Auditor" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion. Without qualifying our opinion, we draw your attention to;

- I) The Company has not provided for Deferred Assets as there is no virtual Certainty of setting the same in near future.***
- II) The company had incurred huge losses in past years, and has also incurred loss in the current quarter ended on 30 th June, 2016 and the company's net worth is negative. In spite of this in view of the management, the accounts have been prepared on "Going Concern basis".***
- III) Impact, if any, of the rehabilitation scheme by operating agency appointed by Hon'ble Board for Industrial & Financial Restructuring (BIFR) is not ascertainable since the scheme is pending.***



- IV) *Balance of Trade receivables, Loans & Advances & Trade payables are subject to confirmation from respective parties.*
- V) *The closing stock as at 30.06.2016 is as taken, valued and certified by the Management.*
- VI) *Company has made a Provision for Doubtful Advances of Rs 85.49lacs. As in the opinion of the management, the said amount is doubtful for recovery. However, as informed by the Management, effective steps for recovery have already been initiated but filing of suits are pending.*
- VII) *Company has received show cause notices from Ministry of Corporate Affairs for Violation of Section 58A, 372A & 383-A of the Companies Act, 1956. On the basis of Scrutiny of audited accounts for the year ending on 31<sup>st</sup> March 2011, 2012 & 2013. As informed by the company, they have submitted reply to the said show cause notices.*

#### **BASIS FOR QUALIFIED OPINION**

1. i) 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.



- ii) 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

Except for the adjustments to the interim financial information that we might have become aware of had it not been for the situation described above , based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with Accounting Standard as per Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts ) Rules 2014 (as amended) and other accounting principles generally accepted in India and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

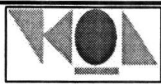
Date: 11/08/2016

Place: Ahmedabad



FOR PARIKH & MAJMUDAR  
CHARTERED ACCOUNTANTS  
FRNNO 107525W

C.A (Dr) Hiren Parikh  
PARTNER  
M.No. 040230



# N.K. Industries Limited

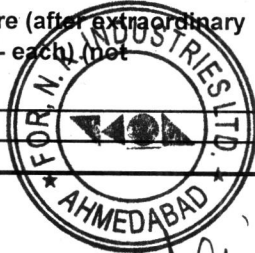
Registered Office: 7th Floor, Popular House, Ashram Road, Ahmedabad - 380 009.

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

**Standalone Unaudited Financial Results For The Quarter Ended On 30<sup>th</sup> June, 2016**

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

| Part I |                                                                                                                       | (₹) In Lacs      |                 |                 |                                |                                |                         |
|--------|-----------------------------------------------------------------------------------------------------------------------|------------------|-----------------|-----------------|--------------------------------|--------------------------------|-------------------------|
|        | Particulars                                                                                                           | Quarter Ended on |                 |                 | Cummulative                    |                                | Year Ended              |
|        |                                                                                                                       | 30/06/2016       | 31/03/2016      | 30/06/2015      | 01/04/2016<br>to<br>30/06/2016 | 01/04/2015<br>to<br>30/06/2015 | 31/03/2016<br>(Audited) |
| 1      | <b>Income from operations</b>                                                                                         |                  |                 |                 |                                |                                |                         |
|        | (a) Net Sales / Income From Operations (net of Excise Duty)                                                           | 4,185.18         | 1,761.08        | 1,586.51        | 4,185.18                       | 1,586.51                       | 8,403.42                |
|        | (b) Other Operating Income                                                                                            |                  |                 |                 |                                | -                              | -                       |
|        | <b>Total Income from operations (net)</b>                                                                             | <b>4,185.18</b>  | <b>1,761.08</b> | <b>1,586.51</b> | <b>4,185.18</b>                | <b>1,586.51</b>                | <b>8,403.42</b>         |
| 2      | <b>Expenses</b>                                                                                                       |                  |                 |                 |                                |                                |                         |
|        | a) Cost of materials consumed                                                                                         | -                | -               | -               | -                              | -                              | -                       |
|        | b) Purchase of stock-in-trade                                                                                         | 2,671.91         | 1,082.80        | 807.56          | 2,671.91                       | 807.56                         | 4,770.04                |
|        | c) Changes in inventories of finished goods, work-in-progress and stock in trade                                      | 199.36           | 36.85           | (37.93)         | 199.36                         | (37.93)                        | (289.93)                |
|        | d) Employee benefits expenses                                                                                         | 171.60           | 139.74          | 125.77          | 171.60                         | 125.77                         | 582.95                  |
|        | e) Depreciation and amortisation expenses                                                                             | 338.46           | 314.79          | 303.46          | 338.46                         | 303.46                         | 1,245.25                |
|        | f) Other expenses                                                                                                     | 893.02           | 509.14          | 617.07          | 893.02                         | 617.07                         | 2,403.64                |
|        | <b>Total Expenditure</b>                                                                                              | <b>4,274.35</b>  | <b>2,083.32</b> | <b>1,815.93</b> | <b>4,274.35</b>                | <b>1,815.93</b>                | <b>8,711.94</b>         |
| 3      | <b>Profit /(Loss) from operations before other income, interest and exceptional</b>                                   | <b>(89.18)</b>   | <b>(322.25)</b> | <b>(229.42)</b> | <b>(89.18)</b>                 | <b>(229.42)</b>                | <b>(308.52)</b>         |
| 4      | Other Income / (Loss)                                                                                                 | 9.77             | 13.22           | 0.14            | 9.77                           | 0.14                           | 67.18                   |
| 5      | <b>Profit /(Loss) from ordinary activities before finance cost and exceptional items (3 + 4)</b>                      | <b>(79.41)</b>   | <b>(309.03)</b> | <b>(229.28)</b> | <b>(79.41)</b>                 | <b>(229.28)</b>                | <b>(241.34)</b>         |
| 6      | Finance costs                                                                                                         | 0.01             | 0.27            | -               | 0.01                           | -                              | 1.57                    |
| 7      | <b>Profit /(Loss) from ordinary activities after finance cost but before exceptional items (5 + 6)</b>                | <b>(79.43)</b>   | <b>(309.30)</b> | <b>(229.28)</b> | <b>(79.43)</b>                 | <b>(229.28)</b>                | <b>(242.91)</b>         |
| 8      | Exceptional Items                                                                                                     | -                | -               | -               | -                              | -                              | -                       |
| 9      | <b>Profit / (Loss) from ordinary activities before tax (7 + 8)</b>                                                    | <b>(79.43)</b>   | <b>(309.30)</b> | <b>(229.28)</b> | <b>(79.43)</b>                 | <b>(229.28)</b>                | <b>(242.91)</b>         |
| 10     | Tax expense                                                                                                           | -                | -               | -               | -                              | -                              | -                       |
| 11     | <b>Net Profit / (Loss) from ordinary activities after tax (9 + 10)</b>                                                | <b>(79.43)</b>   | <b>(309.30)</b> | <b>(229.28)</b> | <b>(79.43)</b>                 | <b>(229.28)</b>                | <b>(242.91)</b>         |
| 12     | Extraordinary items (net of tax exp. Rs.--- Lakhs)                                                                    | -                | -               | -               | -                              | -                              | -                       |
| 13     | <b>Net Profit / (Loss) for the period (11+12)</b>                                                                     | <b>(79.43)</b>   | <b>(309.30)</b> | <b>(229.28)</b> | <b>(79.43)</b>                 | <b>(229.28)</b>                | <b>(242.91)</b>         |
| 14     | Share of profit / (loss) of associates*                                                                               |                  |                 |                 |                                |                                |                         |
| 15     | Minority interest *                                                                                                   |                  |                 |                 |                                |                                |                         |
| 16     | <b>Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 + 14 + 15) *</b> | <b>(79.43)</b>   | <b>(309.30)</b> | <b>(229.28)</b> | <b>(79.43)</b>                 | <b>(229.28)</b>                | <b>(242.91)</b>         |
| 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                               | (47,981.99)      | (48,574.93)     | (47,902.57)     | (47,981.99)                    | (47,902.57)                    | (47,902.57)             |
| 19.i   | <b>Earnings per share (before extraordinary items) (of `10/- each) (not annualised):</b>                              |                  |                 |                 |                                |                                |                         |
|        | (a) Basic                                                                                                             | (1.32)           | (5.15)          | (3.82)          | (1.32)                         | (3.82)                         | (4.04)                  |
|        | (b) Diluted                                                                                                           | (1.32)           | (5.15)          | (3.82)          | (1.32)                         | (3.82)                         | (4.04)                  |
| 19.ii  | <b>Earnings per share (after extraordinary items) (of `10/- each) (not annualised):</b>                               |                  |                 |                 |                                |                                |                         |
|        | (a) Basic                                                                                                             | (1.32)           | (5.15)          | (3.82)          | (1.32)                         | (3.82)                         | (4.04)                  |
|        | (b) Diluted                                                                                                           | (1.32)           | (5.15)          | (3.82)          | (1.32)                         | (3.82)                         | (4.04)                  |



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 11th August, 2016, 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 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/quarter ended on June, 30 2016
5. Company has not consolidated the quarterly results pursuant to the option selected under Regulation 33(3)(b)(i) of SEBI LODR Regulations, 2015. Intimation in this regard was sent to the stock exchanges vide letter dated 23rd May, 2016.
6. The Limited review report on the unaudited results for the quarter ended on 30th June, 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. Further the Company has challenged the notification issued by the Home Department under the MPID Act attaching the properties of the Company before the Hon'ble Gujarat High Court and the matter is sub-judice.
7. The Limited review report on the unaudited financial results for the quarter ended on 30th June, 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 Adjudicating Authority (PMLA) New Delhi. The matter is sub-judice.

AHMEDABAD  
11TH AUGUST, 2016



FOR, N K INDUSTRIES LIMITED

(NIMISH K. PATEL)

CHAIRMAN AND MANAGING DIRECTOR