



# N.K. Industries Ltd

Date: 07/06/2021

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

Dear Sir/Madam,

**Sub: Submission of Standalone and Consolidated Audited Financial Results for the Quarter ended on 31<sup>st</sup> March, 2021**

**Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**


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

1. Audited Standalone & Consolidated Financial Results for the Quarter and Year ended on March 31, 2021 with the Statement of Assets and Liabilities for the Year Ended on 31<sup>st</sup> March, 2021.
2. Standalone and Consolidated Statement of Cash Flow for the Year ended on March 31, 2021.
3. Statutory Auditors Report on the Standalone and Consolidated Financial Results for the year ended on March 31, 2021.
4. Statement of Impact marked as "Annexure-1" (for audit report with modified opinion) for Standalone & Consolidated Results as required under Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015.

The meeting of Board of Directors of the Company commenced at 11:30 A.M and the meeting concluded at 5:15 P.M.

Thanking You.

Yours faithfully,  
N K INDUSTRIES LIMITED

  
Mr. Hasmukhbhai Kacharabhai Patel  
Din : 06587284  
(Whole Time Director)



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

Phone : 91-79-66309999  
Fax : 91-79-26589214  
E-mail : nkil@nkportains.com

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)

## Statement of Standalone Audited Financial Results For The Year Ended On 31<sup>st</sup> March, 2021

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

Part I		( ) In Lakhs, except per Share data				
	Particulars	Standalone				
		Quarter Ended on			Year Ended	
		31/03/2021 Audited	31/12/2020 Unaudited	31/03/2020 Audited	31/03/2021 Audited	31/03/2020 Audited
<b>1</b>	<b>Income from operations</b>					
	(a) Net Sales / Income From Operations (net of Excise Duty)	150.00	30.00	34.03	240.00	9,735.62
	(b) Other Operating Income	7.92	10.66	10.06	42.69	94.54
	<b>Total Income (1)</b>	<b>157.92</b>	<b>40.66</b>	<b>44.09</b>	<b>282.69</b>	<b>9,830.16</b>
<b>2</b>	<b>Expenses</b>					
	a) Cost of materials consumed	-	-	45.32	-	7,709.06
	b) Purchase of stock-in-trade	-	-	-	-	0.46
	c) Changes in inventories of finished goods, work-in-progress and stock in trade	-	-	5.13	-	1,181.29
	d) Excise Duty and Service Tax	-	-	-	-	-
	e) Employee benefits expenses	32.35	9.42	12.21	60.61	77.34
	f) Finance Cost	0.41	0.22	0.07	0.91	0.82
	g) Depreciation and amortisation expenses	119.58	122.35	143.43	485.71	571.39
	h) Other expenses	0.51	9.20	71.11	32.41	799.78
	<b>Total Expenditure</b>	<b>152.86</b>	<b>141.19</b>	<b>277.27</b>	<b>579.64</b>	<b>10,340.13</b>
<b>3</b>	<b>Profit / (Loss) before exceptional item (1-2)</b>	<b>5.06</b>	<b>(100.53)</b>	<b>(233.18)</b>	<b>(296.95)</b>	<b>(509.98)</b>
<b>4</b>	<b>Exceptional Items</b>	-	-	-	-	-
<b>5</b>	<b>Profit / (Loss) before tax (3-4)</b>	<b>5.06</b>	<b>(100.53)</b>	<b>(233.18)</b>	<b>(296.95)</b>	<b>(509.98)</b>
<b>6</b>	<b>Tax expense</b>	<b>37.49</b>	<b>(31.77)</b>	<b>346.55</b>	<b>64.58</b>	<b>(109.53)</b>
<b>7</b>	i) Current Tax	-	-	-	-	-
<b>8</b>	ii) Deferred Tax	37.49	(31.77)	346.55	64.58	(109.53)
<b>9</b>	<b>Profit / (Loss) for the period (5-6)</b>	<b>42.55</b>	<b>(132.30)</b>	<b>113.37</b>	<b>(232.38)</b>	<b>(619.51)</b>
	<b>Other Comprehensive Income (OCI)</b>					
i	items that will not be reclassified to Profit & Loss	(12.52)	(6.00)	(22.93)	(30.52)	(24.46)
ii	Income taxes relating to items that will not be reclassified to profit or loss	3.65	1.75	6.64	8.89	7.12
iii	items that will be reclassified to Profit or Loss	-	-	-	-	-
iv	Income taxes relating to items that will be reclassified to profit or loss	-	-	-	-	-
<b>10</b>	<b>Total Other Comprehensive Income (Net of Tax)</b>	<b>(8.87)</b>	<b>(4.25)</b>	<b>(16.28)</b>	<b>(21.63)</b>	<b>(17.33)</b>
	<b>Total Comprehensive Income for the period (9+10)</b>	<b>33.68</b>	<b>(136.55)</b>	<b>97.09</b>	<b>(254.01)</b>	<b>(636.84)</b>
<b>11</b>	<b>Paid-Up Equity Share Capital of Rs. 10 Each</b>	<b>600.99</b>	<b>600.99</b>	<b>600.99</b>	<b>600.99</b>	<b>600.99</b>
i	Earnings per share (for continuing operation) (of `10/- each):					
	(a) Basic	<b>0.71</b>	<b>(2.20)</b>	<b>1.89</b>	<b>(3.87)</b>	<b>(10.31)</b>
	(b) Diluted	<b>0.71</b>	<b>(2.20)</b>	<b>1.89</b>	<b>(3.87)</b>	<b>(10.31)</b>
ii	Earnings per share (for discontinued operation) (of `10/- each):					
	(a) Basic	-	-	-	-	-
	(b) Diluted	-	-	-	-	-

### 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 07th June, 2021, and are published in accordance with the SEBI (LODR) Regulations, 2015.

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

3. The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the second quarter of the respective financial years.

4. Figures of the previous period/year have been regrouped/reclassified wherever necessary to make them comparable with figures of the current period/year ended on March, 31 2021 and also to make them comparative with the adoption of IND AS



5. 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.

6. The Auditors' report on the standalone financial results for the quarter ended on 31st March, 2021 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 has preferred an appeal before the Hon'ble Appellate Tribunal under the Prevention of Money Laundering Act, 2002. The matter is sub-judice.

7. With regards to search and seizure carried out by the Directorate of Enforcement, Government of India on 30.05.2018 the group company NKPPL, the Company along with group company and promoters challenged the show cause notice issued by the adjudicating authority, New Delhi, before the Hon'ble High Court of Delhi and the Hon'ble High Court has set aside the show cause notice. Further against the attachment of the assets of the Company, the Company has issued fresh show cause dated 30.08.2018 and the Company has filed an appeal before the PMLA Appellate Tribunal, Delhi.

8. Government of Maharashtra has filed supplementary charge sheet dated 25th December, 2018, under the MPID Act against the Company and the Chairman. The Company has complied with all the summons under the said charge sheet and the matter was adjourned to 07.11.2019 and further adjourned to 15.02.2020, 07.03.2020, 30.04.2020, 21.05.2020, 18.07.2020, 08.09.2020, 09.10.2020, 10.01.2020 6th February, 2021, 5th May, 2021 and now the matter is further adjourned to 5th July, 2021.

PLACE : AHMEDABAD  
07th June, 2021



For, N.K. Industries Limited

*H. S. Patel*

Mr. Hasmukhbhai Kacharabhai Patel  
Din : 06587284  
(Whole Time Director)

S.No.	PARTICULARS	Note No.	31-Mar-2021	31-Mar-2020
	1	2	3	4
	<b>ASSETS</b>			
	<b>1 Non-current assets</b>			
a)	Property, Plant and Equipment	8	12 577.40	13 063.11
b)	Capital work-in-progress	8	511.63	426.35
c)	Investment Property			
d)	Goodwill			
e)	Other Intangible assets	8	.32	.32
f)	Intangible assets under development			
g)	Biological Assets other than bearer plants			
h)	Financial Assets			
(i)	Investments	9	175.86	176.86
(ii)	Trade receivables	10	5 549.33	5 549.33
(iii)	Loans	11	974.24	1 124.06
(iv)	Security Deposits			
i)	Deferred tax assets (net)		2 177.06	2 103.60
j)	Other non-current assets	12	5 024.75	4 899.34
	<b>2) Current assets</b>			
a)	Inventories	13	140.60	237.42
b)	Financial Assets			
(i)	Investments			
(ii)	Trade receivables	14	2 121.51	1 895.50
(iii)	Cash and cash equivalents	15	67.44	70.29
(iv)	Bank balances other than (iii) above	16	79.55	61.64
(v)	Loans	17	199.23	198.81
(vi)	Others (to be specified)			
c)	Current Tax Assets (Net)			
d)	Other current assets	18	17.43	12.55
	<b>TOTAL ASSETS</b>		<b>29 616.34</b>	<b>29 819.18</b>
	<b>EQUITY &amp; LIABILITIES :</b>			
	<b>EQUITY:</b>			
a)	Equity Share capital	1	600.99	600.99
b)	Other Equity	2	- 34 398.57	- 34 144.56
	<b>LIABILITIES :</b>			
	<b>1) Non-Current Liabilities</b>			
a)	Financial Liabilities			
(i)	Borrowings			
(ii)	Trade payables	3		
	(a) Due to Micro and Small Enterprises		.00	.00
	(b) Due to other than Micro and Small Enterprises		62 641.24	62 641.24
(iii)	Other financial liabilities (other than those specified in item (b), to			
b)	Provisions	4	363.87	332.39
c)	Deferred tax liabilities (Net)			
d)	Other non-current liabilities			
	<b>2) Current liabilities</b>			
a)	Financial Liabilities			
(i)	Borrowings			
(ii)	Trade payables	5		
	(a) Due to Micro and Small Enterprises		2.57	2.91
	(b) Due to other than Micro and Small Enterprises		82.21	104.16
(iii)	Other financial liabilities (other than those specified in item (c)	6	20.00	20.00
b)	Other current liabilities	6	185.08	175.83
c)	Provisions	7	118.96	86.21
d)	Current Tax Liabilities (Net)			
	<b>Total Equity and Liabilities</b>		<b>29 616.34</b>	<b>29 819.18</b>



# N. K. INDUSTRIES LIMITED

## STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31ST MARCH, 2021

(Amt in `)

Particulars	31-Mar-2021	31-Mar-2021	31-Mar-2020	31-Mar-2020
<b>A. CASH FLOW ARISING FROM ACTIVITIES:</b>				
Net Profit/(Loss) After Tax and Extra Ordinary Items		(327,47,022)		(534,43,328)
Adjustment for :				
Depreciation and Amortisation Expenses		485,71,018		571,38,565
Loss / (Gain) on Sale and Discard of Fixed Assets		-		-
Interest Income		(37,46,211)		(31,04,863)
Finance Cost		91,052		81,817
<b>Operating Profit/(Loss) before Working Capital Changes</b>		<b>121,68,837</b>		<b>6,72,191</b>
Adjustment for :				
(Increase)/Decrease in Trade and other receivables/ Loans /other current assets	(231,30,263)		1397,06,131	
(Increase)/Decrease in Inventories	96,81,570		2121,04,386	
Increase/(Decrease) in Trade Payables/ loans/ other financial liabilities/Provisions/ current liabilities	51,17,479	(83,31,215)	(4436,47,914)	(918,37,397)
Cash Generated from operating Activities		38,37,622		(911,65,206)
Income Tax Paid		-		-
<b>Net Cash Generated from Operating Activities</b>		<b>38,37,622</b>		<b>(911,65,206)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Adjustment for :				
Acquisition of Fixed Assets	(85,28,119)		(34,27,815)	
Changes in non current assets	24,41,582		389,51,995	
Interest Income	37,46,211		31,04,863	
Proceeds from Sale of Fixed Assets	-		-	
Acquisition of Investment	1,00,000	(22,40,326)	-	386,29,044
<b>Net Cash used in Investing Activities</b>		<b>(22,40,326)</b>		<b>386,29,044</b>
<b>C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:</b>				
Borrowing	-		-	
Interest Paid	(91,052)		(81,817)	
Net Cash used in Financial Activities		(91,052)		(81,817)
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>		<b>15,06,245</b>		<b>(526,17,979)</b>
<b>Cash &amp; Cash equivalent at the beginning of the year</b>		<b>131,93,015</b>		<b>658,10,994</b>
<b>Cash &amp; Cash equivalent at the Close of the year</b>		<b>146,99,260</b>		<b>131,93,015</b>
<b>Note: Cash and Cash Equivalents Includes:</b>				
a) Cash on hand		77,979		1,28,069
b) Balance with Banks in Current account		66,66,281		69,00,887
c) Balance with Banks in fixed deposit less than 12 months		79,55,000		61,64,059
		<b>146,99,260</b>		<b>131,93,015</b>

These accompanying notes are an integral part of these financial Statements

Notes:

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

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

For, N.K. Industries Limited



*Hasmukhbhai*  
**HASMUKHBHAI KACHARABHAI PATEL**  
 whole time director  
 (DIN: 06587284)

PLACE : AHMEDABAD  
 07th June, 2021

**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 31/03/2021 (as reported before adjusting for qualifications)	Audited Figures for the year ended 31/03/2021 (audited figures after adjusting for qualifications)
	1	Turnover/ Total income	282.69	282.39
	2	Total Expenditure	579.64	579.64
	3	<b>Net Profit/ (Loss)</b>	<b>(232.38)</b>	<b>(232.38)</b>
	4	<b>Earnings Per Share</b>	<b>(3.87)</b>	<b>(3.87)</b>
	5	Total Assets	29616.34	29616.34
	6	Total Liabilities	63,413.92	63,413.92
	7	<b>Net Worth</b>	<b>(33797.58)</b>	<b>(33797.58)</b>
	8	Any other financial item (s) (as left appropriate by the management)	-	-
II.	<b><u>Audit Qualification (each audit qualification separately):</u></b>			
	<b>a. Details of Audit Qualification:</b> Modified opinion with Emphasis			
	<b>b. Type of Audit Qualification:</b> Qualified Opinion			
	1. Regarding transactions of the Company through trading and clearing member with NSEL.			
	2. Regarding proceedings initiated by the Directorate of Enforcement under the Prevention of Money Laundering Act, 2002			
	3. Regarding notice issued by EOW under the Maharashtra Protection of Interest of Depositors (in financial establishments) – Act, 1999 (MPID) Act.			
	<b>4. Frequency of qualification:</b>			
	1. Repetitive from the financial year ended on 31st March, 2013			
	2. Repetitive from the financial year ended on 31st March, 2015.			
	3. Repetitive from the financial year ended on 31 <sup>st</sup> March, 2015.			



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

The Auditors have not quantified the impact of their qualifications on the financial statements of the Company as the matters pertaining to the qualification are pending before various Courts/Statutory authorities and are subjudice at present. Further the Managements view on the above mentioned qualifications are as mentioned at point no. 2 (ii) below.

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

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

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

1. The Auditors' report on the standalone financial results for the year ended on 31<sup>st</sup> March, 2021 contains qualification regarding transactions entered by company during f.y. 2012-13 through trading and clearing member with NSEL. With respect to the said qualification it is to be submitted that National spot Exchange Limited (NSEL) has served a notice to N K Proteins Private Limited (Formerly known as N K Proteins Limited) who was a Trading and Clearing Member at NSEL and N K Industries Limited was only a client Company of Trading Member i.e. N K Proteins Limited. As regards, the balances of trade receivables and trade payables arising out of the transactions through NSEL platform, the same cannot be confirmed pursuant to the pendency of litigations and as the matter is still pending before the respective authorities. Further, the Home Department, Government of Maharashtra has issued a notification under the MPID Act, 1999 securing the attachment of Land & Building and Plant & Machinery of the Company. Against this the Company had challenged the notification issued by Home department, Government of Maharashtra, before the Hon'ble High Court of Gujarat. The Hon'ble Gujarat High Court had disposed off the application of the Company vide its order dated 29th March 2017. Against the said order the Company had preferred a Special Leave Petition before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India had disposed off the



Special Leave Petition on 17/04/2017, with an observation to file an application before the Hon'ble Bombay High Court. The Company has filed petition before the Hon'ble Bombay High Court in June 2017. Besides the above, the Company has also filed its objections against the attachment notification before the Designated Spl MPID Court, Mumbai. The matter is subjudice.

2. With regard to search and seizure carried out by the Directorate of Enforcement, Government of India on 30.05.2018 on the group company NKPPL, the Company along with group Company and Promoters challenged the show cause notice issued by the adjudicating authority New Delhi, before the Hon'ble High Court of Delhi and the Hon'ble High Court has set aside the show cause notice. Further against the attachment of the assets of the Company, the Company has issued fresh show cause dated 30/08/2018 and the Company has filed an appeal before the PMLA Appellate Tribunal, Delhi.
3. The Government of Maharashtra has filed supplementary charge sheet dated 25th December, 2018, under the MPID Act against the Company and the Chairman. The Company has complied with all the summons under the said charge sheet and the matter was adjourned to 7th November, 2019 and further adjourned to 15th February, 2020, 7th March, 2020, 30th April, 2020, 21st May, 2020 18th July, 2020, 8th September, 2020 9th October 2020, 10th December, 2020, 6th February, 2021, 5th May, 2021 and now the matter is further adjourned to 5th July, 2021.

**ii. 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: 07/06/2021





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

To,

**The Board of Directors**

**N.K.INDUSTRIES LIMITED**

**Report on audit of Standalone Ind AS Financial Results**

**Qualified Opinion**

We have audited the accompanying Statement of Standalone Ind AS Financial Results of N.K.INDUTRIES LIMITED (the "Company"), for the three months and year ended March 31, 2021 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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

- a) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
- b) gives a true and fair view in conformity with Indian Accounting Standard prescribed under Section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued there under and other accounting principles generally accepted in India of the standalone net loss and total comprehensive income and other financial information of the Company for the three months and year ended March 31, 2021.



## Basis for Qualified Opinion

1. The Company had entered into financial arrangement with National Spot Exchange Ltd (NSEL) through trading and Clearing Member, N.K. Proteins Private Ltd (erstwhile N. K. Proteins Limited (NKPL) (Group Company) by way of purchase and sales of various goods up to financial year 2012-13. The trade payables and trade receivables arising out of the said transactions through National Spot Exchange Limited (NSEL) from the concerns other than the group concerns are subject to confirmations by the respective parties/NSEL and reconciliations/ adjustments, if any. Further, NSEL has suspended the trading on 31.07.2013, as per the directions issued by the Government of India, Ministry of Consumer Affairs. NSEL has initiated recovery proceedings against the group company 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 29<sup>th</sup> 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 17<sup>th</sup> 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 31<sup>st</sup> March , 2021.(Refer note No 35 of Standalone Ind AS financial statements)



2. The Directorate of Enforcement, Government of India has initiated proceedings against the company under section 5(1) of the prevention of Money Laundering Act, 2002, along with group company NKPL, and by virtue of the provisional attachment order dated 10/03/2015, attached the assets of the company comprising of Land, building, plant and 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 late 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 Application No. OA/236 of 2018 against the company as well as group company NKPL and the promoters for retention of the seized properties and for continuation of order of freezing the properties, till finalization of the proceedings, of the properties mentioned in the application u/s 17(4) of the PMLA Act, 2002. The company along with Group Company and promoters challenged the show cause notice issued by the adjudicating authority New Delhi, before the Hon'ble High Court of Delhi and the Hon'ble High Court has set aside the said show cause notice. The Director of Enforcement has attached assets of the company, group company NKPL and the promoters of the company by issuing a fresh show cause notice dated 30/08/2018 and the company has filed an appeal before PMLA Appellate Tribunal, Delhi .

In view of the above that the matter is subjudice, and the alleged liabilities /claims are not accepted by the company ,we are unable to quantify the final liability and its impact, if any, on the loss of the company for the Year ended on 31<sup>st</sup> March , 2021.(Refer note No 36 of Standalone Ind AS Financial statements)



3. The Government of Maharashtra, (at the instance of Economic wing offence Mumbai), has filed supplementary Charge sheet dated 25<sup>th</sup> 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 19<sup>th</sup> March,2019 against the company asking them to remain present on 26<sup>th</sup> April 2019.The Company has complied with the said summons and the matter was adjourned to 7<sup>th</sup> November,2019 and further adjourned to 15<sup>th</sup> February,2020 ,7<sup>th</sup> March,2020, 30<sup>th</sup> April 2020 ,21<sup>st</sup> May,2020, 18<sup>th</sup> July,2020,8<sup>th</sup> September ,2020 9<sup>th</sup> October 2020,10<sup>th</sup> December,2020,6<sup>th</sup> February,2021,5<sup>th</sup> May,2021 and now the matter is further adjourned to 5<sup>th</sup> July,2021. 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<sup>st</sup> March , 2021. (Refer note No 37 of Standalone Ind AS financial statements)

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SA"s) specified under Section143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter

1. The company is having accumulated losses (after taking into account the balance of reserves) of Rs 343.99 crores as at 31.03.2021 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 i.e Banpal Oil Chem Private limited and NK OIL Mills Private limited ,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 38 of the Standalone Ind AS Financial Statements which states that the Income Tax Department had carried out survey u/s 133 of the Income tax Act, 1961(the IT Act) on the company along with other group companies during FY 2013-14 and had ordered a special audit of the books of the company u/s 142(2A) of the IT Act, 1961, for AY 2011-12 & A.Y 12-13. The department had raised a demand of Rs 131.22 Crores (Rs 6.63 Crores for A.Y 10-11, Rs55.43 crores for A.Y 11-12, Rs 60.33 Crores for A.Y 12-13, Rs 7.97 Crores for A.Y 2013-14 & Rs.0.86 Crores for A.Y.2014-15) on the company for the aforesaid assessment years and the said demand has been disputed by the company and the company has initiated appellate proceedings before appropriate authorities. The said amount has been shown as contingent liability under Note No. 27 of the notes forming part of standalone financial statements. Further ,Income tax department has passed an attachment order on 22.04.2015 & 14.08.15 by which it has attached properties of the company in pursuant to a demand, the details of the properties attached which are in the name of company is as under:

- 803, Manas Complex, Opp Star Bazaar, Nr Jodhpur Cross road, Satellite, Ahmedabad 380015.
- 603, Manas Complex, Opp Star Bazaar, Nr Jodhpur Cross road, Satellite, Ahmedabad 380015.
- Land, situated at Survey Nos.719, 720, 721, 732/1, 732/2, 733, 741, 743, 744, 745, Kadi Thol Road, Village Kadi Kasba, Kadi, District Mehsana-382715.



- **Factory Building Situated at survey No 745, Kadi Thol Road, Village Kadi Kasba , taluka- Kadi, District Mehsana-382715**

3. Attention is invited to note 29 of the Standalone Ind AS Financial Statements and according to which a Search & Seizure action U/S 132 of the Income Tax Act took place on 24.2.99. The Income Tax department had raised demand of Rs. 33.12 Crores vide the block assessment Order dt. 30.4.2001. In case of the company, the Hon'ble Income Tax Appellate Tribunal ( ITAT), Ahmedabad has subsequently given partial relief to the extent of Rs. 28.84 Crores. The company had preferred an appeal before the Hon'ble High Court of Gujarat against the order of Hon'ble ITAT, Ahmedabad. The Hon'ble Gujarat High Court vide its order dated 20<sup>th</sup> 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 16<sup>th</sup> January,2017 had dismissed the appeal of the Company. The Company had already provided an amount of Rs 2.88 Crore against the grounds dismissed by Hon'ble ITAT, Ahmedabad during F.Y 2002-03 as well as Rs 1.27 Crores was provided in the books of accounts for the Assessment year in question for the interest payable up to 31-03-2005 during F.Y 2004-05. However in view of the management and on the basis of the Judgment of the Hon'ble Gujarat High Court, the amount provided/paid by the company towards total demand shall result in refund to the company. Pending effect of the various orders of adjudicating authorities by the Income Tax Department, the Company is yet to provide final entries in its books of accounts even during the year under review. In view of non availability of order of the appeal effects from the Income Tax Department, we are unable to opine on the same.

4. Attention is invited to note 40 of the Standalone Ind AS Financial Statements and according to which the Sales Tax Department has completed the assessment proceedings for various assessment years and raised demand of Rs. 3314.22 lakhs (net of recovery) for the earlier financial years. The company has not made any provision for the above demand raised by the sales tax authority in its books of accounts as in view of the Management, the said demand shall not withstand before the Appellate Authorities and the company has already preferred an appeal before the appellate authority which is still pending. In view



of the above, the said amount has been shown as contingent liability under Note No. 27 of the notes forming part of standalone financial statements.

5. Attention is invited to Note 44 of the Standalone Ind AS Financial Statements which states that the balance confirmation from the suppliers, customers as well as to various loans or advances, capital advances given and certain banks have been called for by the company , but the same are awaited till the date of audit. Thus, the balances of receivables, capital advances, trade payables as well as loans and advances and certain bank balances have been taken as per the books of accounts submitted by the company and are subject to confirmation from the respective parties.
6. As per the information obtained from the website of the Ministry of Corporate Affairs (MCA), a suit has been filed against the company and its officers u/s 383A(1A), 372A(9), 58A(6)(A)(I) of the Companies Act, 1956 for the year 2016. As informed by the management, the company is having basic information about such suit filed as reflected on the website of the MCA. However, the company does not have any communication of such proceedings against the company and its officers. As the matter is still subjudice, we are unable to quantify the final liability and its impact, if any, on the company and its officers. (Refer Note No 41 of the standalone Ind AS financial statements)

Our opinion is not modified on the above matters.

### **Managements Responsibilities for the Standalone Ind AS Financial Results**

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





accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(c) of



the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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



## OTHER MATTERS

The Statement includes the standalone financial results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.



Place: Ahmedabad  
Date: 07-06-2021

For Parikh & Majmudar  
Chartered Accountants  
FR No. 107525W

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

Membership No. 40230  
UDIN: 21040230 AAAA 6E3867

# N.K. Industries Limited

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

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

## Consolidated Audited Financial Results For The Year Ended On 31<sup>st</sup> March, 2021

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

Part I		INR In Lacs, except per Share data				
	Particulars	Consolidated				
		Quarter Ended on			Cummulative	Year Ended
		31/03/2021 Audited	31/12/2020 unaudited	31/03/2020 Audited	31/03/2021 Audited	31/03/2020 Audited
1	<b>Income from operations</b>					
	(a) Net Sales / Income From Operations (net of Excise Duty)	677.03	506.23	568.61	2,204.51	11,489.84
	(b) Other Operating Income	5.62	15.71	(70.83)	60.62	110.71
	<b>Total Income (1)</b>	<b>682.65</b>	<b>521.94</b>	<b>497.78</b>	<b>2,265.13</b>	<b>11,600.55</b>
2	<b>Expenses</b>					
	a) Cost of materials consumed	(8.04)	(0.27)	(2.82)	-	7,677.36
	b) Purchase of stock-in-trade	-	-	(1.00)	-	0.46
	c) Changes in inventories of finished goods, work-in-progress and stock in trade	-	-	0.14	-	1,176.56
	d) Excise Duty and Service Tax	-	-	-	-	-
	e) Employee benefits expenses	120.79	99.09	91.14	396.02	382.92
	f) Finance Cost	(4.79)	1.90	(4.03)	1.16	0.89
	g) Depreciation and amortisation expenses	122.55	129.42	155.91	509.90	603.50
	h) Other expenses	401.94	426.04	481.45	1,645.78	2,276.79
	<b>Total Expenditure</b>	<b>632.45</b>	<b>656.18</b>	<b>720.79</b>	<b>2,552.86</b>	<b>12,118.47</b>
3	<b>Profit / (Loss) before exceptional item (1-2)</b>	<b>50.20</b>	<b>(134.24)</b>	<b>(223.01)</b>	<b>(287.73)</b>	<b>(517.92)</b>
4	Exceptional Items	-	-	-	-	-
5	<b>Profit / (Loss) before tax (3-4)</b>	<b>50.20</b>	<b>(134.24)</b>	<b>(223.01)</b>	<b>(287.73)</b>	<b>(517.92)</b>
6	Tax expense	(32.17)	29.47	(346.93)	(61.60)	109.01
7	i) Current Tax	2.70	(3.30)	6.05	2.70	10.25
8	ii) Deferred Tax	(35.10)	33.12	(352.23)	(64.17)	99.51
9	<b>Profit / (Loss) for the period (5-6)</b>	<b>82.37</b>	<b>(163.71)</b>	<b>123.92</b>	<b>(226.13)</b>	<b>(626.93)</b>
	<b>Other Comprehensive Income (OCI)</b>					
i	items that will not be reclassified to Profit & Loss	(12.52)	(6.00)	(22.42)	(30.52)	(24.46)
ii	Income taxes relating to items that will not be reclassified to profit or loss	3.65	1.75	6.64	8.89	7.12
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	<b>Total Other Comprehensive Income (Net of Tax)</b>	<b>(8.87)</b>	<b>(4.25)</b>	<b>(15.78)</b>	<b>(21.63)</b>	<b>(17.33)</b>
	<b>Total Comprehensive Income for the period (9+10)</b>	<b>73.50</b>	<b>(167.96)</b>	<b>108.15</b>	<b>(247.76)</b>	<b>(644.26)</b>
11	Paid-Up Equity Share Capital of Rs. 10 Each	600.99	600.99	600.99	600.99	600.99
i	Earnings per share (for continuing operation) (of INR 10/- each):					
	(a) Basic	1.37	(2.79)	(1.80)	(3.76)	(10.43)
	(b) Diluted	1.37	(2.79)	(1.80)	(3.76)	(10.43)
ii	Earnings per share (for discontinued operation) (of INR 10/- each):					
	(a) Basic	-	-	-	-	-
	(b) Diluted	-	-	-	-	-

**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 07th June, 2021, and are published in accordance with the SEBI (LODR) Regulations, 2015.
2. As the Company has only one business segment, disclosure under Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.
3. The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the second quarter of the respective financial years.
4. Figures of the previous period/year have been regrouped/reclassified wherever necessary to make them comparable with figures of the current period/year ended on March, 31 2021 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

7. The Auditors' report on the standalone financial results for the year ended on 31st March, 2021 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 has preferred an appeal before the Hon'ble Appellate Tribunal under the Prevention of Money Laundering Act, 2002. The matter is sub-judice.

8. 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.

For, N.K. Industries Limited



*H. S. Patel*

PLACE : AHMEDABAD  
07th June, 2021

HASMUKHBHAI KACHARABHAI PATEL  
whole time director  
(DIN: 06587284)

Part II		INR In Lacs		
Statement of Assets and Liabilities				
Particulars			For Year ended (Audited)	
			Consolidated	
			31-Mar-2021	31-Mar-2020
<b>ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>			
a)	Property, Plant and Equipment	8	12841.87	13351.72
b)	Capital work-in-progress	8	511.63	426.35
c)	Investment Property			
d)	Goodwill	8	8236.24	8236.24
e)	Other Intangible assets			
f)	Intangible assets under development	8	0.32	0.32
g)	Biological Assets other than bearer plants			
h)	Financial Assets			
(i)	Investments	9	13.23	10.34
(ii)	Trade receivables	10	159701.01	159660.61
(iii)	Loans	11	17.28	17.28
(iv)	Other Financial Assets	11A	26.71	25.25
i)	Deferred tax assets (net)		2278.45	2205.39
j)	Other non-current assets	12	4055.99	3829.12
<b>2)</b>	<b>Current assets</b>			
a)	Inventories	13	168.03	267.92
b)	Financial Assets			
(i)	Investments			
(ii)	Trade receivables	14	2059.07	2079.52
(iii)	Cash and cash equivalents	15	111.80	91.67
(iv)	Bank balances other than (iii) above	16	79.55	61.64
(v)	Loans	17	10.34	14.31
(vi)	Others (to be specified)			
c)	Current Tax Assets (Net)			
d)	Other current assets	18	49.38	52.69
<b>TOTAL ASSETS</b>			<b>190160.89</b>	<b>190330.37</b>
<b>EQUITY &amp; LIABILITIES :</b>				
<b>EQUITY:</b>				
a)	Equity Share capital	1	600.99	600.99
b)	Other Equity	2	(34567.16)	(34319.39)
<b>LIABILITIES :</b>				
<b>1)</b>	<b>Non-Current Liabilities</b>			
a)	Financial Liabilities			
(i)	Borrowings			
(ii)	Trade payables	3		
	(a) Due to Micro and Small Enterprises		-	-
	(b) Due to other than Micro and Small Enterprises		223223.24	223223.24
(iii)	Other financial liabilities	3	36.53	36.53
b)	Provisions	4	363.87	332.39
c)	Deferred tax liabilities (Net)			
d)	Other non-current liabilities			
<b>2)</b>	<b>Current liabilities</b>			
a)	Financial Liabilities			
(i)	Borrowings			
(ii)	Trade payables	5		
	(a) Due to Micro and Small Enterprises		2.57	3.80
	(b) Due to other than Micro and Small Enterprises		107.34	124.49
(iii)	Other financial liabilities	5a	20.00	20.00
b)	Other current liabilities	6	244.78	212.31
c)	Provisions	7	126.56	92.06
d)	Current Tax Liabilities (Net)	7	2.18	3.96
<b>Total Equity and Liabilities</b>			<b>190160.89</b>	<b>190330.37</b>



# N. K. Industries Limited

## Consolidated Cash Flow Statement for the year ended on 31st March, 2021

(Amt in ` )

Particulars	31-Mar-2021	31-Mar-2021	31-Mar-2020	31-Mar-2020
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:</b>				
Net Profit/(Loss) After Tax and Extra Ordinary Items		(318,24,648)		(542,37,485)
Adjustment for :				
Depreciation and Amortisation Expenses		509,90,265		603,49,598
Loss / (Gain) on Sale and Discard of Fixed Assets		-		4,736
Interest Income		(33,12,807)		(27,84,654)
Finance Cost		1,15,537		89,126
<b>Operating Profit/(Loss) before Working Capital Changes</b>		<b>159,68,347</b>		<b>34,21,320</b>
Adjustment for :				
(Increase)/Decrease in Trade and other receivables / financial assets/ other current assets	27,71,620		1496,20,480	
(Increase)/Decrease in Inventories	99,89,715		2117,64,622	
Increase/(Decrease) in Trade Payables/ Provision / other financial liabilities etc	78,28,001	204,43,495	(4546,30,760)	(932,45,658)
Cash Generated from Operations		364,11,842		(898,24,338)
Income Tax Paid		(2,57,442)		(9,49,835)
<b>Net Cash Generated from Operating Activities</b>		<b>361,54,400</b>		<b>(907,74,173)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Adjustment for :				
Acquisition of Fixed Assets	(85,33,335)		(34,72,065)	
Changes in non current assets	(267,26,326)		394,48,017	
Interest Income	33,12,807		27,84,654	
Proceeds from Sale of Fixed Assets	-		34,293	
Acquisition of Investment	(2,88,929)	(322,35,783)	(1,80,723)	386,14,177
<b>Net Cash used in Investing Activities</b>		<b>(322,35,783)</b>		<b>386,14,177</b>
<b>C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:</b>				
Interest Paid	(1,15,537)		(89,126)	
Net Cash used in Financial Activities		(1,15,537)		(89,126)
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>		<b>38,03,080</b>		<b>(522,49,123)</b>
Cash & Cash equivalent at the beginning of the year		153,31,464		675,80,587
Cash & Cash equivalent at the Close of the year		191,34,544		153,31,464
<b>Note: Cash and Cash Equivalents Includes:</b>				
a) Cash on hand		4,22,384		4,54,295
b) Balance with Banks in Current account		107,57,159		87,13,110
c) Balance with Banks in fixed deposit less than 12 months		79,55,000		61,64,059
		<b>191,34,544</b>		<b>153,31,464</b>

These accompanying notes are an integral part of these financial Statements

Notes:

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

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

For, N.K. Industries Limited



PLACE : AHMEDABAD  
07th June, 2021

*H.S. Patel*  
**HASMUKHBHAI KACHARABHAI PATEL**  
whole time director  
(DIN: 06587284)

**ANNEXURE-I**

<b><u>Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Consolidated Financial Results</u></b>				
(Rs. Lakhs)				
I.	Sr. No.	Particulars	Audited Figures for the year ended 31/03/2021 (as reported before adjusting for qualifications)	Audited Figures for the year ended 31/03/2021 (audited figures after adjusting for qualifications)
	1	Turnover/ Total income	2265.13	2265.13
	2	Total Expenditure	2552.86	2552.86
	3	<b>Net Profit/ (Loss)</b>	<b>(226.13)</b>	<b>(226.13)</b>
	4	<b>Earnings Per Share</b>	<b>(3.76)</b>	<b>(3.76)</b>
	5	Total Assets	190160.89	190160.89
	6	Total Liabilities	224127.06	224127.06
	7	<b>Net Worth</b>	<b>(33966.17)</b>	<b>(33966.17)</b>
	8	Any other financial item (s) (as left appropriate by the management)	-	-
<b>II. <u>Audit Qualification (each audit qualification separately):</u></b>				
<b>a. Details of Audit Qualification:</b> Modified opinion with Emphasis				
<b>b. Type of Audit Qualification:</b> Qualified Opinion				
1. Regarding transactions of the Company through trading and clearing member with NSEL and notice issued by EOW under the Maharashtra Protection of Interest of Depositors (in financial establishments) – Act, 1999 (MPID) Act.				
2. Regarding proceedings initiated by the Directorate of Enforcement under the Prevention of Money Laundering Act, 2002				
3. Regarding notice issued by EOW under the Maharashtra Protection of Interest of Depositors (in financial establishments) – Act, 1999 (MPID) Act.				
4. Regarding transactions of subsidiary Company i.e. Tirupati Retail (India) Private Limited with NSEL.				





**c. Frequency of qualification:**

1. Repetitive from the financial year ended on 31st March, 2013
2. Repetitive from the financial year ended on 31st March, 2015.
3. Repetitive from the financial year ended on 31st March, 2020.
4. Repetitive from the financial year ended on 31st March, 2018

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

The Auditors have not quantified the impact of their qualifications on the financial statements of the Company as the matters pertaining to the qualification are pending before various Courts/Statutory authorities and are subjudice at present. Further the Managements view on the above mentioned qualifications are as mentioned at point no. 2 (ii) 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 29<sup>th</sup> 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 6th February, 2021 to remain present before the MPID Court on 5th May, 2021. The matter is now adjourned to 05th July, 2021. Therefore the matter is sub-judice.
4. The National Spot Exchange Limited (NSEL) has initiated recovery proceedings against the Group Company N K Proteins Private Limited (Formerly known as 'N K Proteins Limited') who was a trading and clearing member at NSEL. As regards the said recovery proceedings initiated by NSEL and has also made Tirupati Retail (India) Private Limited, subsidiary Company a party to the said proceedings, the matter is sub-judice and still pending before the respective Authorities.

**ii. 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~~



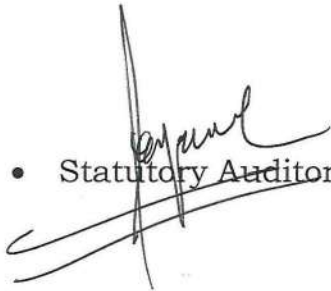
- CFO



- Audit Committee Chairman



- Statutory Auditor



Place: Ahmedabad

Date: 07/06/2021





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

To,

**The Board of Directors**

**N.K.INDUSTRIES LIMITED**

**Report on audit of Consolidated Ind AS Financial Results**

**Qualified Opinion**

We have audited the accompanying Statement of Consolidated Ind AS Financial Results of N.K.INDUSTRIES LIMITED (the " Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), for the three months and year ended March 31, 2021 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditor on separate audited financial statements of the subsidiaries as referred to in paragraph 1 of other matters below, the Statement:

(i) includes the results of the following subsidiaries:

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



- (ii) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
- (iii) gives a true and fair view in conformity with Indian Accounting Standard prescribed under Section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued there under and other accounting principles generally accepted in India of the consolidated net loss and consolidated total comprehensive income and other financial information of the Group for the three months and year ended March 31, 2021.

### **Basis for Qualified Opinion**

1. The Holding Company had entered into financial arrangement with National Spot Exchange Ltd (NSEL) through trading and Clearing Member, N.K. Proteins Private Ltd (erstwhile N. K. Proteins Limited (NKPL) (Group Company) by way of purchase and sales of various goods up to financial year 2012-13. The trade payables and trade receivables arising out of the said transactions through National Spot Exchange Limited (NSEL) from the concerns other than the group concerns are subject to confirmations by the respective parties/NSEL and reconciliations/adjustments, if any. Further, NSEL has suspended the trading on 31.07.2013, as per the directions issued by the Government of India, Ministry of Consumer Affairs. NSEL has initiated recovery proceedings against the group company 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 29<sup>th</sup> March 2017.



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 17<sup>th</sup> 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.

2.

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 31<sup>st</sup> March , 2021. (Refer Note No 36 of notes forming part of consolidated Ind AS financial statements )

2. The Directorate of Enforcement, Government of India has initiated proceedings against the Holding company under section 5(1) of the prevention of Money Laundering Act, 2002, along with group company NKPL, and by virtue of the provisional attachment order dated 10/03/2015, attached the assets of the Holding company comprising of Land, building, plant and 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.

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 Holding company late Shri Nilesh Patel and Shri Nimish Patel, one of the family member as well as on the Holding company and thereafter on 29.06.2018



the ED, Government of India, had preferred an application u/s 17(4) of the Prevention of Money Laundering Act, 2002 before the Adjudicating Authority, New Delhi, vide it's Application No. OA/236 of 2018 against the company as well as group company NKPL and the promoters for retention of the seized properties and for continuation of order of freezing the properties, till finalization of the proceedings, of the properties mentioned in the application u/s 17(4) of the PMLA Act, 2002. The Holding company along with Group Company and promoters challenged the show cause notice issued by the adjudicating authority New Delhi, before the Hon'ble High Court of Delhi and the Hon'ble High Court has set aside the said show cause notice. The Director of Enforcement has attached assets of the Holding company, group company NKPL and the promoters of the Holding company by issuing a fresh show cause notice dated 30/08/2018 and the Holding company has filed an appeal before PMLA Appellate Tribunal, Delhi .

In view of the above that the matter is subjudice, and the alleged liabilities /claims are not accepted by the company we are unable to quantify the final liability and its impact, if any, on the loss of the Holding company for the Year ended on 31<sup>st</sup> March , 2021. (Refer Note No 37 of notes forming part of Consolidated Ind AS financial statements )

3. The, Government of Maharashtra, (at the instance of Economic wing offence Mumbai ), has filed supplementary Charge sheet dated 25<sup>th</sup> 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 19<sup>th</sup> March, 2019 asking them to remain present on 26<sup>th</sup> April 2019. The Holding Company has complied with the said summons and the matter was adjourned to 7<sup>th</sup> November, 2019 and further adjourned to 15<sup>th</sup> February, 2020, 7<sup>th</sup> March, 2020, 30<sup>th</sup> April 2020 , 21<sup>st</sup> May, 2020, 18<sup>th</sup> July, 2020, 8<sup>th</sup> September, 2020 9<sup>th</sup> October 2020, 10<sup>th</sup> December, 2020, 6<sup>th</sup> February, 2021, 5<sup>th</sup> May, 2021 and now the matter is further adjourned to 05<sup>th</sup>



July, 2021. 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 31.03.2021 (Refer Note No 37A of notes forming part of Consolidated Ind AS financial statements )

4. The Subsidiary Company Tirupati Retail (India) Pvt Ltd had entered into financial arrangement with National Spot Exchange Ltd (NSEL) through trading and Clearing Member, N.K. Proteins private Limited erstwhile N.K Proteins Limited (NKPL) by way of purchase and sales of various goods up to financial year 2012-13. The trade payables and trade receivables (now reflected under non current financial liabilities & non current financial assets) arising out of the transactions through National Spot Exchange Limited (NSEL) from the concerns other than the group concerns are subject to confirmations by the respective parties and reconciliations / adjustments, if any. Further, NSEL has initiated recovery proceedings against the company viz. N.K. Proteins private Limited and Holding Company viz. N K Industries limited and also against the subsidiary Companies and the said proceedings are pending as on date. In view of the fact that the matter is sub-judice, and the alleged liability/Claim are not accepted by the said subsidiary company, we are unable to quantify the final liability and its impact if any, on the loss of the Consolidated Accounts. (Refer Note No 47 of notes forming part of Consolidated Ind AS Financial statements)

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by





the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Interim Consolidated Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter

1. We draw attention to Note 33 to the Consolidated Ind AS financial statements which states that the Consolidated financial statements reflects accumulated losses (after taking into account the balance of reserves) of Rs 345.67 Crores as at 31.3.2021 and the net worth of the Consolidated accounts as well as Holding Company and Subsidiary Companies as at 31.03.2021 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 i.e Banpal Oil Chem Private limited and NK Oil Mills Private limited, 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 said subsidiary companies and in the consolidated accounts and accounts of the Holding and said



Subsidiary Companies for the year have been prepared on “ going concern basis.”

2. A) Attention is invited to note 38 of the Consolidated Ind AS financial statements which states that the Income Tax Department had carried out survey u/s 133 of the Income tax Act ,1961( the IT Act) on the Holding company along with other group companies during FY 2013-14 and had ordered a special audit of the books of the company u/s 142 2A of the IT Act, 1961, for AY2010-11, A.Y 2011-12, A.Y 2012-13 ,A.Y 2013-14 & A.Y 2014-15. The department had raised a demand of Rs 131.22 Crores ( Rs 6.63 Crores for A.Y 10-11, Rs 55.43 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 AY 2014-15 ) on the holding company for the aforesaid assessment years and the said demand has been disputed by the holding company and the holding company has initiated appellate proceedings before appropriate authorities. The said amount has been shown as contingent liability under Note No. 27 of the notes forming part of consolidated Ind AS Financial statements . Further ,Income tax department has passed an attachment order on 22.04.2015 & 14.08.15 by which it has attached properties of the holding company in pursuant to a demand, the details of the properties attached which are in the name of holding company is as under:

- 803, Manas Complex, Opp Star Bazaar, Nr Jodhpur Cross road, Satellite, Ahmedabad 380015.
- 603, Manas Complex, Opp Star Bazaar, Nr Jodhpur Cross road, Satellite, Ahmedabad 380015.
- Land, situated at Survey Nos.719, 720, 721, 732/1, 732/2, 733, 741, 743, 744, 745, Kadi Thol Road, Village Kadi Kasba , taluka-Kadi, District Mehsana-382715



- **Factory Building Situated at survey No 745, Kadi Thol Road, Village Kadi Kasba , taluka- Kadi, District Mehsana-382715**

**3 B) Attention is invited to note 30 of the consolidated Ind AS financial statements which states that a Search & Seizure action U/S 132 of the Income Tax Act took place on 24.2.99 on Holding Company. The Income Tax department had raised demand of Rs. 33.12 Crores vide the block assessment Order dt. 30.4.2001. In case of Holding company, the Income Tax Appellate Tribunal ( ITAT), Ahmedabad has subsequently given partial relief to the extent of Rs. 28.84 Crores. The Holding company had preferred 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 20<sup>th</sup> 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 16<sup>th</sup> 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.**



- 4 Attention is invited to note 42 of the Consolidated Ind AS Financial Statements, NSEL has initiated recovery proceedings against the group company N. K. Proteins Private Ltd and has made one of the Subsidiary Company viz. N. K. Oil Mills Pvt Ltd., a party to the said proceedings and these proceeding are pending as on date.
- 5 Attention is invited to note 41 of the Consolidated Ind AS Financial Statements which states that Sales Tax Department has completed the assessment for various assessment years and raised demand of Rs. 3314.22 lacs for the earlier years. The Holding company has not made any provision for the above demand raised by the sales tax authority as in view of the Management, the said demand shall not withstand before the Appellate Authorities and the said Holding company has preferred an appeal before the appellate authority. The said amount has been shown as contingent liability under Note No. 27 of the notes forming part of consolidated Ind AS Financial Statements.
- 6 Attention is invited to Note 48 of the Consolidated Ind AS financial statements which states that the balance confirmation from the suppliers, customers as well as to various loans or advances & Capital advances given and Certain Bank have been called for by the Holding Company, but the same are awaited till date. In view of the same, it is to be stated that the balances of receivables, trade payables as well as loans and advances ,capital advances and Certain bank balances have been taken as per the books of accounts submitted by the Holding company and are subject to confirmation from the respective parties.
- 7 Attention in invited to Note No 40 of the Consolidated Ind AS Financial Statements, where in case of one the Subsidiary Company viz. Banpal Oil Chem Pvt Ltd , The Home Department, Government of Maharashtra has issued Notification dated 22.06.2015 under the Maharashtra Protection of Interest of Depositors (in financial establishments) Act.



1999 (MPID Act) for attaching the Factory Plant, Land, Building & Machinery of the company located at plot No. 144/64 of Chandisar Industrial Area. GIDC Mauje chandisar, Taluka-Palanpur, Dist-Banaskantha, Gujarat. As explained to us, The Company has filed its detailed Objections against the said attachment Notification before the Designated Court at Mumbai and as stated by the Management, the matter is subjudice.

8 Attention is invited to Note No 44 of the Consolidated Ind AS Financial Statements, where in case of one the Subsidiary Company viz. Banpal Oil Chem Pvt Ltd, The Directorate of Enforcement, Government of India has initiated proceedings against the company under section 5(1) of the Prevention of Money Laundering Act, 2002, and by virtue of the provisional attachment order dated 27.08.2014, attached the assets of the subsidiary company comprising of Factory Plant, Land, Building & Plant & Machinery of the company located at plot No. 144/64,65,66 of Chandisar Industrial Area. GIDC Mauje chandisar, Taluka-Palanpur, Dist- Banaskantha, Gujarat. As explained to us, The said Subsidiary company has preferred an appeal before the Hon'ble Appellate Tribunal under the Prevention of Money laundering Act, 2002. However, matter is subjudice, we are unable to quantify the liability and its impact if any, on the loss of the consolidated accounts.

9 Attention is invited to Note No 45 of the Consolidated Ind AS Financial Statements, where in case of one the Subsidiary Company viz. Banpal Oil Chem Pvt Ltd, Income tax department has passed an attachment order on 20.05.2016 by which it has attached properties of the subsidiary company in pursuant to a demand, the details of the properties attached which are in the name of subsidiary company and the details of which are as under:

- Plot of land bearing Plot No 144/64, of Chandisar Industrial Area, GIDC Mauje chandisar, Taluka-Palanpur, Dist- Banaskantha,



- Plot of land bearing Plot No 144/65, of Chandisar Industrial Area. GIDC Mauje chandisar, Taluka-Palanpur, Dist- Banaskantha,
- Plot of land bearing Plot No 144/66, of Chandisar Industrial Area. GIDC Mauje chandisar, Taluka-Palanpur, Dist- Banaskantha,

10 Attention is invited to Note 34 of the Consolidated Ind AS financial statements which states that, on the basis of certificate received from the Management of Holding company, the holding company does not have any control on its joint Venture viz “AWN AGRO PRIVATE LIMITED” and hence no consolidation of the said joint venture is taken in to accounts while consolidation of accounts.

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

12 As per the information obtained from the website of the Ministry of Corporate Affairs (MCA), a suit has been filed against the Holding company and its officers u/s 383A(1A), 372A(9), 58A(6)(A)(I) of the Companies Act, 1956 for the year 2016. As informed by the management, the Holding company is having basic information about such suit filed as reflected on the website of the MCA. However, the Holding company



**does not have any communication of such proceedings against the Holding company and its officers. As the matter is still subjudice, we are unable to quantify the final liability and its impact, if any, on the Holding company and its officers. (Refer Note No 29 of the Consolidated Ind AS financial statements)**

Our opinion is not modified in the above matters

### **Managements Responsibilities for the Consolidated Ind AS Financial Results**

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



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

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



## OTHER MATTERS

1. We did not audit the financial statements of two subsidiaries, whose financial statements reflect Total assets of Rs 1562.30 crores, as at 31<sup>st</sup> March 2021 and total revenues of Rs. 19.41 crores & net cash outflows amounting to Rs 0.32 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. Our opinion above on the consolidated Ind AS financial statements are not modified in respect of the above matter with respect to our reliance on the work done & the reports of the other auditors and financial information certified by the management of the Holding company.
2. The Statement includes the consolidated results for the quarter ended March 31, 2021 being the balancing figure between the audited consolidated figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

Place: Ahmedabad  
Date: 07-06-2021



For Parikh & Majmudar  
Chartered Accountants  
FR No. 107525W

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

Membership No. 40230  
UDIN: 21040230 AAAA 04 F6863