

**ANNUAL REPORT**  
**Nilkanth Engineering Limited**  
**2016-17**

**NILKANTH ENGINEERING LIMITED**

**CIN : L27300MH1983PLC029360**

**Regd. Office: 407, Kalbadevi Road, 3<sup>rd</sup> Floor, Daulat Bhavan, Mumbai 400 002**

**Telephone No. : 022-2206 2108, Website: [www.nilkanthengineering.co.in](http://www.nilkanthengineering.co.in)**

**Email: [nilkanthengineeringltd@gmail.com](mailto:nilkanthengineeringltd@gmail.com)**

**NOTICE**

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of the members of Nilkanth Engineering Limited will be held on Wednesday, the 27<sup>th</sup> day of September, 2017 at 2.30 PM at the Registered Office of the Company at 407, Kalbadevi Road, 3<sup>rd</sup> Floor, Daulat Bhavan, Mumbai 400 002 to transact the following business :

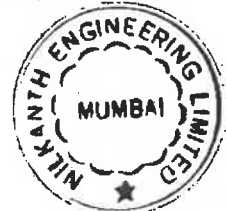
**Ordinary Business:**

1. To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended on 31st March, 2017 and the Board's and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Manish Newar (DIN No: 00469539) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved That pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made therein , M/s Karnavat & Co., Chartered Accountants, Mumbai, (Firm Registration No. 104863W), having their office at 2A, Kitab Mahal, 1<sup>st</sup> Floor, 192, D.N. Road, Mumbai 400 001 be and are hereby appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the 39<sup>th</sup> Annual General Meeting subject to ratification, if required, by members at every Annual General Meeting to be held thereafter, at such remuneration (including re-imbursement of out of pocket expenses) as may be decided by the Board of Directors of the Company in consultation with M/s Karnavat & Co, Chartered Accountants, Mumbai."

**By order of the Board of Directors of Directors of  
Nilkanth Engineering Limited**

  
**G. M. Loyalka**  
Director  
(DIN: 00299416)



**Place: Mumbai**  
**Date: 31.08.2017**

**NOTES:**

1. A member entitled to attend and vote at the 34<sup>th</sup> Annual General Meeting (the 'Meeting') is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The proxy form duly completed and signed should be deposited at the Registered office of the Company not less than 48 hours before the time fixed for the Meeting.
3. The Register of Members and Share Transfer Register of the Company will remain closed from Wednesday, 20<sup>th</sup> September, 2017 to Wednesday, 27<sup>th</sup> September, 2017, (both days inclusive) for the purpose of AGM.
4. Members are requested to bring their copy of the Annual Report at the Annual General Meeting.

**5. EVOTING:**

- i) Pursuant to Section 108 of the Companies Act, 2013 and in compliance with the provisions of Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to announce that all the business mentioned in the notice may be transacted through electronic voting system and the Company is providing facility by electronic means.
- ii) For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating e-voting to enable the Shareholders of the Company to cast their votes electronically.
- iii) The Board of Directors of the Company has appointed Mr. Manoj Nimani, Partner of R. M. Nimani & Associates LLP, Company Secretaries, Mumbai to conduct and scrutinize the e-voting process in a fair and transparent manner.
- iv) Process and manner of voting:



(a) In case of Shareholders receiving e-mail from NSDL:

- i. Open e-mail and open PDF file viz; "Nilkanth e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- ii. In case any shareholder is already registered with NSDL for e-voting, then that shareholder can use the existing user ID and password for casting of vote and step no. (i) and (vi) be skipped.
- iii. Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
- iv. Click on Shareholder – Login
- v. Put user ID and password as mentioned in step (i) or (ii) above, as may be applicable. Click Login.
- vi. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password.
- vii. Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- viii. Select "EVEN" (E-Voting Event Number) of Nilkanth Engineering Limited
- ix. Now you are ready for e-Voting as Cast Vote page opens.
- x. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- xi. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xii. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xiii. Institutional shareholders (i.e. members other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail [nilkanthengineeringltd@gmail.com](mailto:nilkanthengineeringltd@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

(b) In case of Shareholders receiving PIN mailer by Post:

- i. Initial password will be provided through a separate PIN Mailer.
- ii. Please follow steps (ii) to (xiii) above, to cast vote.
- iii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- iv. In case of any query, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsd.com> or contact NSDL at the following Telephone No.: 022 24994600.
- v. The e-voting period commences on 24<sup>th</sup> September, 2017 (9.00 a.m) and ends on 26<sup>th</sup> September, 2017 (5.00 p.m.). At the end of the voting period, the portal where votes are cast shall forthwith be blocked. The cut off date for Remote e-voting is 21<sup>st</sup> September, 2017.
- vi. Mr. Manoj Mimani, Partner of R. M. Mimani & Associates LLP, Company Secretaries Mumbai, the scrutinizer will, on 29<sup>th</sup> September, 2017 i.e. within a period of not exceeding three working days from the date of conclusion of e-voting period, unblock the votes in the presence of at least two witnesses not in the



employment of the company and make a scrutinizer's report of the votes cast in favour or against, if any and submit to the Chairman of the Annual General Meeting of the Company.

- vii. The results declared along with the scrutinizer's report shall be placed on the website of the company and on the website of the RTA or NSDL within two days of passing of the resolution.
- viii. Subject to receipt of sufficient votes, the resolution shall be deemed to be passed on the date of Annual General Meeting.

- v) Name, designation, address, email id and phone no. of the person responsible to address the grievances connected with facility for voting by electronic means.

Name:- Mr. Prathmesh R. Sonsurkar.

Designation:- Company Secretary and Compliance Officer

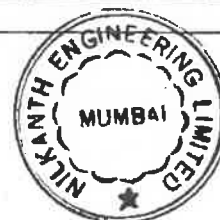
Address: 407, Kalbadevi Road, 3<sup>rd</sup> Floor, Daulat Bhavan, Mumbai 400 002

Email id: [nilkanthengineeringltd@gmail.com](mailto:nilkanthengineeringltd@gmail.com)

Phone No. 9969325040

vi) **Details of Directors seeking re-appointment at the Annual General Meeting**

Name	Mr. Manish Newar
DIN	00469539
Date of Birth	30.03.1969
Qualification	MBA
Expertise in specific functional area	Rich experience of two decades in Marketing and Branding of Tea Segment, Metal Caps etc.
Terms and conditions of appointment or re-appointment	Mr. Manish Newar retires at ensuing AGM and being eligible, seeks re-appointment
Remuneration	Nil
List of Outside Directorship	1. Dukenhengra Tea Pvt. Ltd. 2. Kushal Investment Pvt. Ltd. 3. Halmira Estate Tea Pvt. Ltd. 4. Halmira Properties Pvt. Ltd. 5. Arvind Press Caps Ltd. 6. Kool Kidz Products Ltd. 7. U.P. Paper Corporation Pvt. Ltd. 8. Umashree Properties Pvt. Ltd. 9. Manjushree Properties Pvt. Ltd. 10. T & I Global Ltd. 11. OSS Cube Solutions Ltd. 12. Contemporary Win Framz Pvt. Ltd. 13. Subhiksh Infracon Pvt. Ltd. 14. Essel Mining & Industries Ltd. 15. Dhaneswari Wood Products Ltd. 16. Vikram Holdings Pvt. Ltd. 17. Newar Food and Hospitality Pvt. Ltd. 18. Benito Urban (India) Pvt. Ltd. 19. Koolkidz Concepts Pvt. Ltd.
Chairman / Member of the Committee of	Nil

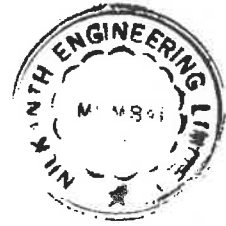


Companies in which she is a Director	
Shareholding in the Company	Nil
No. of the Board Meetings attended	2
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil

By order of the Board of Directors of Directors of  
Nilkanth Engineering Limited



G. M. Loyalka  
Director  
(DIN: 00299416)



Place: Mumbai  
Date : 31.08.2017

**NILKANTH ENGINEERING LIMITED**  
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Telephone No. : 022-2206 2108, Website: [www.nilkanthengineering.co.in](http://www.nilkanthengineering.co.in)  
Email: [nilkanthengineeringltd@gmail.com](mailto:nilkanthengineeringltd@gmail.com)

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### DIRECTORS REPORT

To,  
The Members,

The Directors of your Company are pleased to present their Thirty Fourth Annual Report and the Audited Financial Statements of Nilkanth Engineering Limited for the financial year ended 31<sup>st</sup> March, 2017.

#### FINANCIAL RESULTS

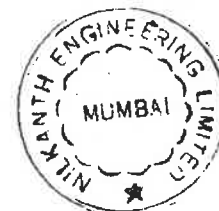
The financial performance of the Company, for the financial year ended 31st March, 2017 is summarized below:

	Year Ended 31 <sup>st</sup> March 2017 Rs.	Year Ended 31 <sup>st</sup> March 2016 Rs.
Income	31,88,620	28,36,001
Expenses	2,27,30,390	15,85,743
Profit / (Loss) before tax	(1,95,41,770)	12,50,258
Tax expenses:		
Current Tax	2,00,000	4,50,000
Tax adjustment of Earlier years	Nil	19,380
Profit after tax	(1,97,41,770)	7,80,878

#### PERFORMANCE REVIEW

During the year under review, the Company has incurred loss of Rs. 1,97,41,770/- (Previous Year Net Profit After Tax of Rs. 7,80,878/-). Your Directors are hopeful of achieving even better performance in the current year.

The Company is engaged in the business of Financing and Investment activities. There has been no material changes in the business of the Company during the financial year.



## **FINANCE**

Your Company has made provisions for sufficient borrowing facilities to meet its long-term and short-term requirements in order to support the business operations uninterruptedly.

## **DIVIDEND**

In view of Loss during the year under review, your Directors do not recommend any dividend for the year under review.

## **TRANSFER TO RESERVES**

In view of losses during the year under review, the Company has transferred Rs. Nil (Previous Year Rs.1,56,176 /-) to Reserve Fund under RBI Act, 1934

## **PUBLIC DEPOSIT**

During the year, the Company has not accepted or renewed any deposit from the public as covered under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

## **SHARE CAPITAL**

The Authorised Share Capital as on 31<sup>st</sup> March, 2017 was Rs.1,25,00,000 /-(Rupees One Crore Twenty Five Lac Only) divided into 12,50,000 Equity Shares of Rs. 10/- each.

There has been no change in the Share Capital of the Company during the financial year 2016-17.

The Issued Share Capital as on 31<sup>st</sup> March, 2017 was Rs 1,24,50,000/- (Rupees One Crore Twenty Four Lac Fifty Thousand Only) divided into 12,45,000 Equity Shares of Rs. 10/- each.

## **SUBSIDIARY:**

As at the end of the year under review i.e. on 31<sup>st</sup> March, 2017 and also as on the date of this report, your Company does not have any Subsidiary.





## **EXTRACT OF ANNUAL RETURN**

Pursuant to the requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT-9 is given in the Report as **Annexure I**.

## **PARTICULARS OF EMPLOYEES**

The information regarding employee remuneration and other details as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure II**. Further Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not required as there are no employees in the Company for this category.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year, the Company had not entered into any transactions as enumerated in section 188 of Companies Act, 2013 and rules made thereunder with its related party as defined under section 2(76) of the Act,

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no significant material orders passed by the regulators/courts/tribunals which would impact the going concern status of the Company and its future operations.

## **ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The internal financial controls with reference to the Financial Statements are commensurate with the size of the Company and nature of its business.

Compliance processes form an integral part of your Company's Corporate governance practices and is fundamental to achieving its strategic and operational business objectives.

## **RISK MANAGEMENT**

The Company has laid down a Risk Management Policy and identified threat of such events which if occurs will adversely affect value to shareholders/ stakeholders, ability of company to achieve objectives, ability to implement business strategies, the manner in which the company operates.



Investment business is always prone to various external risks i.e. risk of capital market fluctuations, global developments, competition risk, interest rate volatility, economic cycles and geo-political risks which can adversely affect the fortunes of investment companies in both ways. To manage these identified risks, your Company adopted a sound and prudent risk management policy to mitigate the risk and challenges. The objectives of the risk policy is to minimize risk and maximize the returns.

In the opinion of your Board, none of the risks which have been identified may threaten the existence of the Company.

#### **REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration, framed policy for selection and appointment of Directors, Senior Management and their remuneration.

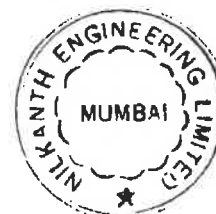
#### **CORPORATE SOCIAL RESPONSIBILITY**

The provisions of section 135 of the Companies Act, 2013 with respect to Corporate Social Responsibility are not applicable to the Company.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to sub-Section (5) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained /received from the operating management, your Directors make the following statement and confirm that:-

- i) in the preparation of the annual accounts for the year ended 31 March 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2017 and of the loss of the Company for year ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the Annual Accounts on a 'going concern basis';
- v) the Directors have laid down internal financial controls and that such internal financial controls are adequate and are operating effectively; and
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



## **CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated financial statement of your Company for the Financial Year 2016-17 is prepared in compliance with the applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has established a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, the concerns about behavior of employees that raise concerns including fraud by using the mechanism provided in the Whistle Blower Policy.

## **PREVENTION OF INSIDER TRADING:**

The Company has adopted a code of conduct for Prevention of Insider Trading with a view to regulate trading in securities by Directors and designated employees of the Company. The Code of conduct require pre-disclosure for dealing in the Company's Shares and prohibit the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when trading windows is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed the compliance of the Code

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The particulars of loans, guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013, if any, are given in the Audited Financial Statements, wherever applicable.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Act read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption, and research and development are not applicable to the Company.

There were no foreign exchange earnings and outgoings during the year under review.



**STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES , ASSOCIATE OR JOINT VENTURES**

Pursuant to sub-section (3) of Section 129 of the Act, a statement containing the salient features of the financial statement of Company's subsidiary, associate and Joint Venture Company is required to be given.

The Company does not have any subsidiary. Further, brief about the only following Associate Companies, is given hereunder:

1. Jatayu Textiles & Industries Limited (Associate)

Jatayu Textiles & Industries Limited ( Jatayu) is registered with Reserve Bank of India (RBI) as Non-Banking Financial Company (NBFC) in the category of the Company not accepting / holding public deposits.

The Total Revenue of Jatayu during Financial Year 2016-17 was Rs.48.27 Lac and Net Profit After Tax was Rs. 17.87 Lacs

2. Osiris Online Private Limited (Associate)

Osiris Online Private Limited (Osiris) has paid up capital of Rs. 66,00,000/- and it does not have any substantial business

The Total Revenue of Osiris during Financial Year 2016-17 was Rs. 0.34 Lac and Net Profit After Tax was Rs. 0.19 Lac

3. Sushree Trading Limited (Associate)

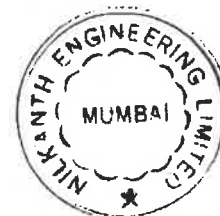
Sushree Trading Limited (Sushree) is registered with Reserve Bank of India (RBI) as Non-Banking Financial Company (NBFC) in the category of the Company not accepting / holding public deposits.

The Total Revenue of Sushree during Financial Year 2016-17 was Rs. 15.38 Lacs and Net Loss After Tax was Rs. 127.02 Lacs

The details of Company's subsidiary, associate and Joint Venture Company as on 31<sup>st</sup> March, 2017 is given in **Annexure III**

**DIRECTORS**

Mr. Manish Newar (DIN No: 00469539) retire by rotation from the Board and being eligible offers himself for re-appointment.



### **INDEPENDENT DIRECTORS' MEETING:**

Pursuant to Part VII of Schedule IV of the Companies Act, 2013 and provisions of Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors had separate meeting without attendance of Non-Independent Directors during the year and have reviewed the performance of Non-Independent Directors and the Board of Directors as a whole. The Independent Directors assessed the quality, quantity and timeliness of information between the Company and the management and the Board

### **ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEE AND INDIVIDUAL DIRECTOR**

As per Rule 8(4) of the Companies (Accounts) Rules, 2014, the Board has also made the formal evaluation of its own performance as well as the evaluation of working of Audit Committee and Nomination & Remuneration Committee. The Board has also evaluated performance of Independent Directors.

### **DECLARATION OF INDEPENDENCE**

The Company has received Declarations of Independence as stipulated under Section 149(7) of the Companies Act, 2013 from each of the Independent Directors confirming that he/she is not disqualified from appointing/continuing as an Independent Director.

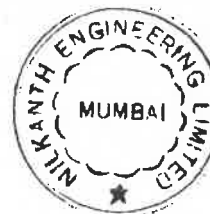
### **BOARD MEETINGS**

During the year under review, Nine meetings of the Board of Directors of the Company were held i.e on 30.05.2016, 25.07.2016, 12.08.2016, 01.09.2016, 10.11.2016, 15.12.2016, 10.02.2017, 28.02.2017 and 25.03.2017 & Five meeting of Audit Committee were held on 30.05.2016, 12.08.2016, 01.09.2016, 11.11.2016 and 10.02.2017. The Nomination and Remuneration Committee has also met on 10.02.2017.

The intervening gap between the meetings was within the period prescribed under the provisions of the Companies Act, 2013.

### **STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS**

M/s Karnavat & Co., Chartered Accountants, Statutory Auditor of the Company would retire on conclusion of this Annual General Meeting on completion of their terms of appointment. Since M/s Karnavat & Co, Chartered Accountants are eligible for appointment as Statutory Auditor as per the Companies Act, 2013. The Board of Director on recommendation of the Audit Committee, recommend the appointment of M/s Karnavat & Co., Chartered Accountants, Mumbai, (Firm Registration No. 104863W), having their office at 2A, Kitab Mahal, 1<sup>st</sup> Floor, 192, D.N. Road, Mumbai 400 001 as Statutory Auditors of the Company to hold office from conclusion of this Annual General



Meeting until the conclusion of 39<sup>th</sup> Annual General Meeting subject to ratification at every Annual General Meeting to be held hereafter. The consent and certificate from the said firm has been received to the effect that their appointment as Statutory Auditors of the Company, if appointed at ensuing Annual General Meeting, would be according to the terms and conditions prescribed under section 139 of the Act and Rules framed thereunder. A resolution seeking their appointment forms part of the Notice convening the 34<sup>th</sup> Annual General Meeting and the same is recommended for your consideration and approval.

### **AUDITORS' REPORT ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments from your Board. The Auditors Report does not contain any qualification, reservation or adverse remark or reporting of any fraud.

### **CORPORATE GOVERNANCE:**

Corporate Governance provisions under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 specified in regulations from 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 and para C,D,E of Schedule V are not applicable to the Company as neither the paid up equity share capital of the Company exceed Rs. 10.00 Cr nor net worth of the Company exceed Rs. 25.00 Cr as on 31<sup>st</sup> March, 2017

### **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder the Company has appointed, Mr. Manoj Mimani, Partner of R. M. Mimani & Associates LLP, Company Secretaries to undertake the secretarial audit of the Company. Secretarial Audit Report for the year 2016-17 as issued by him in the prescribed form MR-3 is annexed to this Report as **Annexure IV**. The said Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by secretarial auditor.

### **COST AUDIT**

The provisions of Cost Audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.

### **OTHER DISCLOSURES**

- Your Company has not issued: -
  - Any shares with differential rights;
  - Any sweat equity shares




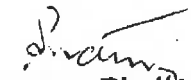
- There are no significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.
- There were no material changes and commitments affecting the financial position of your Company between the end of the financial year and the date of this report.
- There was no revision in the financial statements.
- Your Company has not received any complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### APPRECIATION

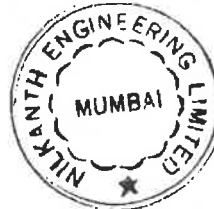
Your Directors express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments for their co-operation and unstinted support received from them during the year and look forward to their continued support in future.

For and on behalf of the Board of Directors of  
Nilkanth Engineering Limited

  
G. M. Loyalka  
Director  
(DIN: 00299416)

  
Ram Das Bhatler  
Director  
(DIN: 00288162)

Place : Mumbai  
Date : 31.08.2017



**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2017  
of

**NILKANTH ENGINEERING LIMITED**

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : L27300MH1983PLC029360  
ii) Registration Date: 21.02.1983  
iii) Name of the Company: Nilkanth Engineering Limited  
iv) Category / Sub-Category of the Company: Company having Share Capital  
v) Address of the Registered Office and contact details: 407, Kalbadevi Road, 3<sup>rd</sup> Floor, Daulat Bhavan, Mumbai 400 002  
vi) Whether listed company Yes  
vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any: Adroit Corporate Services Private Limited  
19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol, Naka, Andheri (E), Mumbai 400 059  
Tele: 022-4227 0400

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Investment Activity	64200	100%





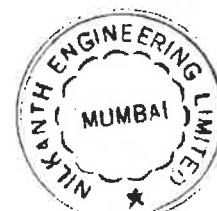
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name of the Company	CIN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
1	Jatayu Textiles & Industries Limited	U17120MH1983PLC029380	Associate	28.81%	Section 2(6)
2	Osiris Online Private Limited	U72200MH2008PTC182281	Associate	30.00%	Section 2(6)
3	Sushree Trading Limited	U51900MH1983PLC029599	Associate	42.43%	Section 2(6)

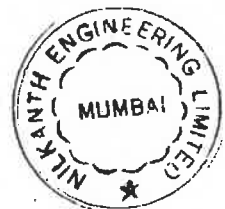
IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corporates	0	745000	745000	59.84	745000	0	745000	64.43	0
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any other	0	0	0	0.00	0	0	0	0.00	0
<b>SUB TOTAL:(A) (1)</b>	<b>0</b>	<b>745000</b>	<b>745000</b>	<b>59.84</b>	<b>745000</b>	<b>0</b>	<b>745000</b>	<b>59.84</b>	<b>0</b>
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0



c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	
e) Any other...	0	0	0	0.00	0	0	0	0.00	
<b>SUB TOTAL (A) (2)</b>	0	0	0	0.00	0	0	0	0.00	
<b>Total Shareholding of Promoter</b>									
<b>(A)= (A)(1)+(A)(2)</b>	0	745000	745000	59.84	745000	0	745000	59.84	0
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
c) Central govt	0	0	0	0.00	0	0	0	0.00	0
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g) FIIS	0	0	0	0.00	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
<b>SUB TOTAL (B)(1):</b>	0	0	0	0.00	0	0	0	0.00	0
<b>(2) Non Institutions</b>									
<b>a) Bodies corporates</b>									
i) Indian	0	488000	488000	39.20	0	488000	488000	39.20	0
ii) Overseas	0	0	0	0.00	0	0	0	0.00	
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	12000	12000	0.96	0	12000	12000	0.96	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0.00	0	0	0	0.00	0
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
<b>SUB TOTAL (B)(2):</b>	0	500000	500000	40.16	0	500000	500000	40.16	0

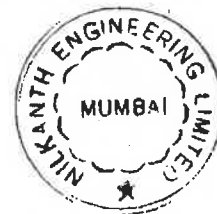


<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	0	500000	500000	40.16	0	500000	500000	40.16	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	0	1245000	1245000	100.00	745000	500000	1245000	100.00	0

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sushree Trading Limited	622000	49.96	0	622000	49.96	0	0
2	Mansoon Trading Company Limited	60000	4.82	0	60000	4.82	0	0
3	Meenakshi Steel Industries Limited	60000	4.82	0	60000	4.82	0	0
4	Jatayu Textiles & Industries Limited	3000	0.24	0	3000	0.24	0	0

**(iii) Change in Promoters' Shareholding (please specify, if there is no change):** There is no change in the shareholding of the Promoter



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr.No	For Each of the Top 10 Shareholders	Date of Change	Shareholdings at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Aakarshak Synthetics Limited	No Change	170000	13.65	170000	13.65
2	Kajal Synthetics and Silk Mills Limited	No Change	206000	16.55	206000	16.55
3	Rutgers Investment And Trading Co. Pvt. Ltd.	No Change	112000	9.00	112000	9.00
4	Rajeev Garg	No Change	700	0.02	700	0.02
5	Umadevi Rathi	No Change	100	0.01	100	0.01
6	R. Swaminathan	No Change	100	0.01	100	0.01
7	Swati Agarwal	No Change	200	0.01	200	0.01
8	Vivek Pendharkar	No Change	200	0.01	200	0.01
9	Manish Agarwal	No Change	200	0.01	200	0.01
10	Sunil Kulwal	No Change	100	0.01	100	0.01

(v) Shareholding of Directors and Key Managerial Personnel: Nil

(V). INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans Amount (Rs.)	Deposits	Total Indebtedness Amount (Rs.)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount*	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>



<b>Change in Indebtedness during the financial year</b>				
* Addition	Nil	50,00,00,000	Nil	50,00,00,000
* Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	<b>Nil</b>	<b>50,00,00,000</b>	<b>Nil</b>	<b>50,00,00,000</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	50,00,00,000	Nil	50,00,00,000
ii) Interest due but not paid	Nil	54,247	Nil	54,247
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>50,00,54,247</b>	<b>Nil</b>	<b>50,00,50,247</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**  
Not Applicable since there is no MD / WTD / Manager in the Company

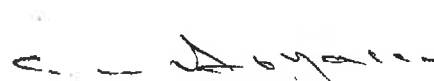
**B. Remuneration to other directors:** Nil

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD:

Sr. No.	Name of the Employee	Designation	Total Remuneration Paid
01	Shruti Didwania	Company Secretary and Compliance Officer	2,05,645/-

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

For and on behalf of the Board of Directors of  
Nilkanth Engineering Limited

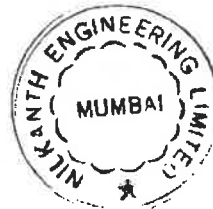


**G. M. Loyalka**  
Director  
(DIN: 00299416)



**Ram Das Bhatler**  
Director  
(DIN: 00288162)

Place : Mumbai  
Date : 31.08.2017



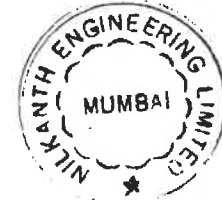
Annexure II

**DETAILS PERTAINING TO REMUNEATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOITMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) Remuneration paid to Company Secretary during FY 2016-17 is Rs. 2,05,645/- (Appointed with effect from 25<sup>th</sup> July, 2016 ).

No remuneration paid to the Director during FY 2016-17. Hence ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year is Nil;

- (ii) The median remuneration of employee during FY 2016-17 was Rs. 4,53,822/-
- (iii) In the FY 2016-17, there was no increase in the Remuneration of the Employee.
- (iv) There were only two employee on the pay roll of the Company as on 31.03.2017.
- (v) There was no Average Percentage increase in the Salary of the Employee.
- (vi) It is hereby affirmed that the remuneration is paid as per the remuneration policy.



**Annexure III**

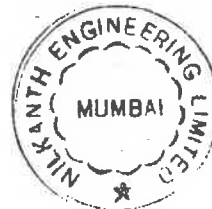
**Statement containing salient features of the financial statement of subsidiaries/  
associate companies/ joint ventures**

**Part "A": Subsidiaries**

Name of the subsidiary	Nil
1. Date on which the subsidiary was acquired	
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries:	
3. Share capital	
4. Reserves & surplus	
5. Total assets	
6. Total Liabilities	
7. Investments	
8. Turnover	
9. Profit before taxation	
10. Provision for taxation	
11. Profit after taxation	
12. Proposed Dividend	
13. % of shareholding	

The following information shall be furnished:-

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.



**Part "B" : Associate Companies / Joint Ventures**

Name of Associates/Joint Ventures	Jatayu Textiles & Industries Limited	Osiris Online Private Limited	Sushree Trading Limited
1. Latest audited Balance Sheet Date	31.03.2017	31.03.2017	31.03.2017
2. Date on which the associate or Joint Venture was associated or acquired	31.10.2012	26.02.2010	31.12.2011
3. Shares of Associate/Joint Ventures held by the company on the year end			
No.	573900	3000	528250
Amount of Investment in Associates/Joint Venture	1,83,70,553/-	30,075/-	1,54,41,534/-
Extend of Holding %	28.81%	30.00%	42.43%
4. Description of how there is significant influence	Since the Company holds more than 20% equity capital, significant influence is assumed.	Since the Company holds more than 20% equity capital, significant influence is assumed.	Since the Company holds more than 20% equity capital, significant influence is assumed.
5. Reason why the associate/joint venture is not consolidated	N.A	N.A	N.A
6. Networth attributable to Shareholding as per latest audited Balance Sheet	2,29,32,252/-	19,62,049/-	4,03,09,937/-
7. Profit / Loss for the year			
i. Considered in Consolidation	5,14,747/-	5,808/-	(53,89,417)
ii. Not Considered in Consolidation	12,71,950/-	13,553/-	(73,12,485)






The following information shall be furnished:-

1. Names of associates or joint ventures which are yet to commence operations: Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board of Directors of  
Nilkanth Engineering Limited

  
G. M. Loyalka  
Director  
(DIN: 00299416)

  
Ram Das Bhatler  
Director  
(DIN: 00288162)

Place : Mumbai  
Date : 31.08.2017



## **NILKANTH ENGINEERING LIMITED**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **Industry Structure and Development**

The Financial Year (FY) 2016-17 was marked by two major developments for the Indian Economy – withdrawal of high-denomination bank note from circulation (demonetization) and passage of Constitutional amendment for implementation of Good and Service Tax (GST).

However India's overall economic outlook is positive and appears as a bright spot in the global economic landscape, improved external current account, continued fiscal consolidation and anti-inflationary monetary policy have provided the much-needed macro-economic stability to the economy.

#### **Opportunities and Threats**

Your Company being engaged in Financial and Investment activities seek opportunities in the Financial and Investment market. The volatility in the market indices in the financial year under report represents both an opportunity and challenge for the Company.

The Financial and Investment activities depends on and is also influenced by global events and hence there is an amount of uncertainty in the near term outlook of the market.

#### **Segment-wise-Performance**

Your Company operates only single segment which is non-banking financial services (Granting/taking of loans and making Long term Investments).

#### **Future Outlook**

After suffering from the transient negative impact of demonetization in the FY 2016-17, the GDP growth rate will be better in FY 2017-18. On the other hand, demonetization is expected to leave a positive impact on the economy through greater tax compliance, increased digitalization and investments in capital formation. Besides, to mitigate the adverse impact of demonetization, several pro-rural and pro-poor initiatives have been taken during Union – Budget 2017-18 to spur demand contributing towards economic growth. Demonetization also led to an increase in bank deposits. Flushed with cash, the banks are expected to cut lending rates.


Your Company remains confident of the long-term growth prospects and opportunities ahead of it in its business. It is uniquely positioned within the Financial and Investment activities industry to capitalize on the opportunities and shall continue to seek growth in its target.



**Risk and concerns**

Your Company is more dependent on the Indian Capital markets for its return. Even though it is envisaged that Indian stock market will continue to do well, but global concern can result in sharp corrections.

For and on behalf of the Board of Directors of  
Nilkanth Engineering Limited



G. M. Loyalka  
Director  
(DIN: 00299416)



Ram Das Bhattar  
Director  
(DIN: 00288162)

Place : Mumbai  
Date : 31.08.2017



**R M MIMANI & ASSOCIATES LLP**  
**COMPANY SECRETARIES**

Form No. MR.3

**Secretarial Audit Report for the financial year ended on March 31, 2017**

[Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the companies  
(Appointment and remuneration of managerial personnel) Rule, 2014]

To,  
The Members  
Nilkanth Engineering Limited  
407, Kalbadevi Road,  
Daulat Bhavan, 3<sup>rd</sup> Floor  
Mumbai- 400 002

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nilkanth Engineering Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made there-under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there-under;
- III. The Depositories Act, 1996 and the Regulations and bye-laws framed there-under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Requirements) Regulations, 2009;



A-101, Excellency, Old Raviraj Complex, Jesal Park, Bhayander (East), Thane - 401105  
Ph. No. 022-69999914, Email: rmimani222@gmail.com

# R M MIMANI & ASSOCIATES LLP

## COMPANY SECRETARIES

d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client:

VI. Other law applicable specifically to the Company, as detailed below;

- i. The Reserve Bank of India Act, 1934
- ii. Rules, regulation and guidelines issued by the Reserve Bank of India as are applicable to the Non-Banking Financial Company (NBFC)-Non Deposit taking Company.

We have also examined compliance with the applicable clauses of the following;

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India
- (ii) The SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015
- (iii) The listing agreement entered into by the Company with Stock Exchange in India.

We report that, during the financial year under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines as mentioned above *subject to that the Company is in process of appointing Key Managerial Personnel.*

We further report that, there was no action/event in pursuance of;

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- c) The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company and test verification on random basis carried out for compliances under other applicable Acts, Laws and Regulations to the Company.

We further report that, based on the information provided and representation made by the Company and also on the review of compliance reports taken on record by the Board of Directors of the Company, in our opinion adequate system and process exists in the company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable general laws like labour laws, competition law and environmental laws.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

Adequate notice is generally given to all directors to schedule the Board Meetings, and detailed notes on agenda were sent generally at least seven days in advance, and the non-existence formal system, we are not in position to comment on existence of



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Ph. No. 022-69999914, Email: [rmimani222@gmail.com](mailto:rmimani222@gmail.com)

R M MIMANI & ASSOCIATES LLP  
COMPANY SECRETARIES

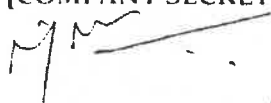
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seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions/resolutions of the Board were carried out unanimously.

We further report that there were no specific events/actions in pursuance of any of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company affairs.

For R M MIMANI & ASSOCIATES LLP  
[COMPANY SECRETARIES]

  
MANOJ MIMANI  
(PARTNER)  
ACS No. 17083  
CP No. 11601



Place: Mumbai  
Dated: August 31, 2017

Note: This report is to be read with our letter of even date which is annexed as "Annexure A" and forms and integral part of this report.

R M MIMANI & ASSOCIATES LLP  
COMPANY SECRETARIES


Annexure - "A"

To,  
The Members  
Nilkanth Engineering Limited  
407, Kalbadevi Road,  
Daulat Bhavan, 3<sup>rd</sup> Floor  
Mumbai - 400 002

Our Secretarial Audit Report of even date is to be read along with this letter;

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.;
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The compliance by the Company of the applicable direct tax laws, indirect tax laws and other financial laws has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals and being relied on the reports given by such designated professionals.

For R M MIMANI & ASSOCIATES LLP  
[COMPANY SECRETARIES]

  
MANOJ MIMANI  
(PARTNER)  
ACS No. 17083  
CP No. 11601



Place: Mumbai  
Dated: August 31, 2017

A-101, Excellency, Old Raviraj Complex, Jesal Park, Bhayander (East), Thane - 401105  
Ph. No. 022-69999914, Email: rmimani222@gmail.com

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF  
NILKANTH ENGINEERING LIMITED**

***Report on the Financial Statements***

We have audited the accompanying financial statements of **NILKANTH ENGINEERING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

***Management's Responsibility for the Financial Statements***

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



(cont...2)



\* 2 \*

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) In the case of the Statement of Profit and Loss, of the **Loss** for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us,, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;

(cont...3)



\* 3 \*

- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure-B.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report that:
- i) The Company does not have any pending litigations which would impact its financial position other than those mentioned in notes to accounts.
  - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.
  - iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

192, Dr. D. N. Road  
Mumbai - 400001  
Dated: May 26, 2017



For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn No. 104863W

*V. R. Joshi*  
(Viral Joshi)  
Partner  
Membership No. 137686

**NILKANTH ENGINEERING LIMITED**  
**ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in paragraph 1 under the 'Report on Other Legal and Regulatory Requirements' our report to the members of NILKANTH ENGINEERING LIMITED, ('the Company') for the year ended on March 31, 2017. We report that:-

- i. In respect of its fixed assets:
  - (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The Company has a regular programme of physical verification of fixed assets which is, in our opinion, reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
  - (c) As per the information and explanation given to us by the management, the title deeds of the immovable properties as disclosed in fixed assets (Note No. 8 to the financial statements) are held in the name of the Company.
- ii. In respect of its inventories:

The Company does not hold any inventory. Accordingly, the provisions of Clause 3(ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act and hence provisions of Clause 3(iii) of the aforesaid Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantee or security to the parties covered under Section 185 and 186 and hence provisions of Clause 3(iv) of the aforesaid Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.
- vi. In our opinion and according to the information and explanations given to us maintenance of cost records under sub-section (1) of the Section 148 of the Companies Act, 2013 has not been prescribed by the government.

(Cont...2)



\* 2 \*

- vii. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax or cess and other statutory dues applicable to it. No undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax or cess and other statutory dues were outstanding, as at 31-03-2017, for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and information and explanations given to us no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess that have not been deposited on account of any disputes.
- viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and bank.
- ix. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans and hence provisions of Clause 3(ix) of the aforesaid Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. The Company has not paid/provided any managerial remuneration in the current year and hence provisions of Clause 3(xi) of the aforesaid Order are not applicable to the Company.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company and hence provisions of Clause 3(xii) of the aforesaid Order are not applicable to the Company.
- xiii. The Company has entered into the transaction with the related parties in compliance with the provisions of the Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS)18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



(Cont...3)

\* 3 \*

- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence provisions of Clause 3(xiv) of the aforesaid Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or the persons connected with him and hence provisions of Clause 3(xv) of the aforesaid Order are not applicable to the Company.
- xvi. The Company has obtained registration as required under Section 45-IA of the Reserve Bank of India Act, 1934.

192, Dr. D. N. Road  
Mumbai - 400001  
Dated: May 26, 2017



For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn No. 104863W

*Viral Joshi*  
(Viral Joshi)  
Partner  
Membership No. 137686

**NILKANTH ENGINEERING LIMITED**  
**ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in paragraph 2(f) under the 'Report on Other Legal and Regulatory Requirements' our report to the members of NILKANTH ENGINEERING LIMITED, ('the Company') for the year ended on March 31, 2017.

***Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Act***

We have audited internal financial controls over financial reporting of **NILKANTH ENGINEERING LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year then ended on that date.

***Management's Responsibility for the Internal Financial Controls***

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities includes design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to Company's policies, the safeguarding of the assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

***Auditor's Responsibility***

Our responsibility is to express an opinion on Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and Guidance note require that we comply with ethical requirements and plan and perform audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



(Cont...2)

\* 2 \*

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material aspects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2107, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting Issued by the Institute of Chartered Accountants of India.

192, Dr. D. N. Road  
Mumbai - 400001  
Dated: May 26, 2017



For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn No. 104863W

*Voshi. Viral. R.*  
(Viral Joshi)  
Partner  
Membership No. 137686

**NILKANTH ENGINEERING LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2017**

	Notes	As at 31-03-2017 Rs.	As at 31-03-2016 Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Fund</b>			
Share Capital	2	1,24,50,000	1,24,50,000
Reserves and Surplus	3	1,93,16,065	3,90,57,835
		<u>3,17,66,065</u>	<u>5,15,07,835</u>
<b>2 Non-Current Liabilities</b>			
Other Long Term Liabilities	4	15,00,00,000	15,00,00,000
<b>3 Current Liabilities</b>			
Short Term Borrowings	5	50,00,00,000	-
Other Current Liabilities	6	1,12,424	82,800
Short Term Provisions	7	-	42,161
<b>Total</b>		<b><u>68,18,78,489</u></b>	<b><u>20,16,32,796</u></b>
<b>II ASSETS</b>			
<b>1 Non Current Assets</b>			
Fixed Assets			
Tangible Assets	8	11,20,46,585	13,11,90,765
Non Current Investments	9	6,02,38,125	5,26,28,125
Long Term Loans and Advances	10	5,26,889	4,20,200
		<u>6,07,65,014</u>	<u>5,30,48,325</u>
<b>2 Current Assets</b>			
Current Investments	11	42,70,370	-
Cash and Bank Balances	12	4,13,239	3,00,411
Short Term Loans and Advances	13	50,29,61,521	1,56,96,812
Other Current Assets	14	14,21,760	13,96,483
		<u>50,90,66,890</u>	<u>1,73,93,706</u>
<b>Total</b>		<b><u>68,18,78,489</u></b>	<b><u>20,16,32,796</u></b>

Significant Accounting Policies 1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

*Joshi. Viral. R.*

(Viral Joshi)

Partner

Membership No. 137686

Place : Mumbai

Date: May 26, 2017

For and on behalf of the Board of Directors

*G.M. Loyalka*

(G.M. Loyalka)

Director

DIN : 00299416

*R. D. Bhattar*

(R. D. Bhattar)

Director

DIN : 00288162

*Shruti*

(Shruti Didwania)

Company Secretary

Membership No. ACS 45950





**NILKANTH ENGINEERING LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

	Notes	Year ended 31-03-2017 Rs.	Year ended 31-03-2016 Rs.
<b>I INCOME</b>			
Revenue from Operations	15	20,00,620	17,29,001
Other Income	16	11,88,000	11,07,000
<b>Total Revenue</b>		<b>31,88,620</b>	<b>28,36,001</b>
<b>II EXPENSES</b>			
Employee Benefit Expenses	17	9,58,645	6,69,000
Finance Cost	18	5,12,329	-
Depreciation and Amortization Expenses	19	1,92,01,171	1,89,857
Other Expenses	20	20,58,245	7,26,886
<b>Total Expenses</b>		<b>2,27,30,390</b>	<b>15,85,743</b>
<b>III Profit before Tax</b>		<b>(1,95,41,770)</b>	<b>12,50,258</b>
Less: Tax Expenses			
Current Tax		2,00,000	4,50,000
Earlier years adjustments		-	19,380
		<b>2,00,000</b>	<b>4,69,380</b>
<b>IV Profit for the period</b>		<b>(1,97,41,770)</b>	<b>7,80,878</b>
<b>V Earnings per Equity Share before/after Extra ordinary Items</b>	24		
Basic		(15.86)	0.63
Diluted		(15.86)	0.63

Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

*Viral Joshi*

(Viral Joshi)

Partner

Membership No. 137686

Place : Mumbai

Date: May 26, 2017



For and on behalf of the Board of Directors

*G.M. Loyalka*

(G.M. Loyalka)

Director

DIN : 00299416

*R. D. Bhatler*

(R. D. Bhatler)

Director

DIN : 00288162

*Shruti*

(Shruti Didwania)

Company Secretary

Membership No. ACS 45950



**NILKANTH ENGINEERING LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017**

PARTICULARS	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit / (loss) before Tax	(1,95,41,770)	12,50,258
Add/(Less) Adjustments for :		
Depreciation	1,92,01,171	1,89,857
Provision for Expenses	97,397	77,800
Provision for Standard Assets	12,12,845	8,093
Interest accrued on loan	14,21,760	13,96,483
Compensation Received	(11,88,000)	(11,07,000)
Dividend Received	(73,500)	(73,500)
Profit on sale of Investments	(70,370)	(81,816)
Pre-Paid Expenses	(43,941)	(27,447)
Operating Profit before working capital changes	10,15,592	16,32,728
Adjustment for Working Capital Changes:		
Trade and other receivables	(48,99,87,340)	(10,24,719)
Trade and other payables	38,916	(87,234)
Cash flow from operations before tax paid	(48,89,32,832)	5,20,775
Less : Direct Taxes paid (net of refund)	3,48,850	3,80,585
<b>Net Cash generated from / (used in) Operating Activities</b>	<b>(48,92,81,682)</b>	<b>1,40,190</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Purchase)/Sale of Investments	(1,18,10,000)	34,97,734
Amount spent on Capital Work in Progress	-	(47,02,364)
Fixed Assets Purchased	(56,990)	(1,04,200)
Dividend Received	73,500	73,500
Compensation Received	11,88,000	11,07,000
<b>Net Cash flow generated from / (used in) Investing Activities</b>	<b>(1,06,05,490)</b>	<b>(1,28,330)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short Term Borrowings	50,00,00,000	-
<b>Net Cash flow generated from / (used in) Financing Activities</b>	<b>50,00,00,000</b>	<b>-</b>
<b>Net increase / (decrease) in Cash and Cash equivalent (A+B+C)</b>	<b>1,12,828</b>	<b>11,860</b>
<b>Cash and Cash equivalents as at April 1</b>	<b>3,00,411</b>	<b>2,88,551</b>
<b>Cash and Cash equivalents as at March 31</b>	<b>4,13,239</b>	<b>3,00,411</b>

**Notes:**

- 1 Cash & Cash equivalents comprises of  
i) Cash on hand  
ii) Bank Balances in current account  
iii) Cheque in Hand  
**Total**

	31-03-2017	31-03-2016
	1,373	1,654
	4,11,866	2,75,719
	-	23,038
<b>Total</b>	<b>4,13,239</b>	<b>3,00,411</b>

- 2 Direct tax Paid are treated as arising from operating activity and not bifurcated between investment & Financing activity .  
3 Previous year figures have been regrouped wherever necessary to confirm with current year groupings.  
4 Figures in bracket denotes outflow.

As per our report of even date attached

For and on behalf of  
**KARNAVAT & CO**  
Chartered Accountants  
Firm Regn. No. 104863W

*(Viraj Joshi)*  
(Viraj Joshi)  
Partner  
Membership No. 137686  
Place : Mumbai  
Date: May 26, 2017



For and on behalf of the Board of Directors

*(G.M. Loyalka)*  
(G.M. Loyalka)  
Director  
DIN : 00299416

*(R. D. Bhattar)*  
(R. D. Bhattar)  
Director  
DIN : 00288162

*(Shruti Didwania)*  
(Shruti Didwania)  
Company Secretary  
Membership No. ACS 45950



## **NILKANTH ENGINEERING LIMITED**

### **Notes to Financial Statements for the year ended 31st March, 2017**

#### **1. Significant Accounting Policies**

##### **1.1 Basis of preparation**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

##### **1.2 Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### **1.3 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria are met before revenue is recognized:

###### **a) Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Revenue from Operations" in the statement of profit and loss.

###### **b) Dividend**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

###### **c) Other Income**

Other items of revenue are recognized in accordance with the Accounting Standard (AS-9) "Revenue Recognition".

##### **1.4 Tangible Fixed Assets**

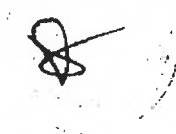
All fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost includes all incidental expenses related to acquisition.

##### **1.5 Depreciation/Amortisation on Fixed Assets**

The Company has worked depreciation with reference to the useful lives of fixed assets prescribed by PART 'C' of Schedule II to the Act or the useful lives of assets as estimated by the Company, whichever is lower. The carrying values have been depreciated over the remaining useful lives of the assets using Written Down Value Method and the same is recognised in the Statement of Profit and Loss.

Depreciation on fixed assets acquired/sold during the year is provided on pro-rata basis.

Intangible Assets are amortised pro-rata on straight line method over the useful life of the assets as estimated by the management.



### 1.6 **Impairment of Tangible and Intangible Assets:**

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets". Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made.

### 1.7 **Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### 1.8 **Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The Weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

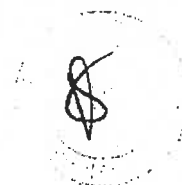
### 1.9 **Income Taxes**

#### **Current Taxes**

Provision for current income-tax is recognized in accordance with the provisions of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

#### **Deferred Taxes**

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.



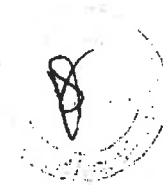
### 1.10 Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

### 1.11 Contingent Liabilities

A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.



**NILKANTH ENGINEERING LIMITED**

Notes to Financial Statements for the year ended 31st March, 2017

	31-03-2017 Rs.	31-03-2016 Rs.
<b>2. Share Capital</b>		
<b>Authorized Shares</b>		
12,50,000 (31 March 2016: 12,50,000) Equity Shares of Rs. 10 each	1,25,00,000	1,25,00,000
	<b>1,25,00,000</b>	<b>1,25,00,000</b>
<b>Issued, Subscribed and fully paid up Shares</b>		
12,45,000 (31 March 2016: 12,45,000) Equity Shares of Rs. 10 each	1,24,50,000	1,24,50,000
<b>Total</b>	<b>1,24,50,000</b>	<b>1,24,50,000</b>

**2.1 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period**

Equity Shares:	31-03-2017		31-03-2016	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the year	12,45,000	1,24,50,000	12,45,000	1,24,50,000
Outstanding at the end of the year	12,45,000	1,24,50,000	12,45,000	1,24,50,000

**2.2 Terms/Rights attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2017, the amount of dividend per share recognized as distributions to equity shareholders was Rs.NIL (31st March, 2016 Rs.NIL)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

**2.3 Details of shareholders holding more than 5% share in the company**

Equity Shares of Rs. 10/- each fully paid up	31-03-2017		31-03-2016	
	Nos.	%	Nos.	%
Aakarshak Synthetics Limited	1,70,000	13.65%	1,70,000	13.65%
Rutgers Investments And Trading Company Private Limited	1,12,000	9.00%	1,12,000	9.00%
Sushree Trading Limited	6,22,000	49.96%	6,22,000	49.96%
Kajal Synthetics & Silk Mills Limited	2,06,000	16.55%	2,06,000	16.55%

**3. Reserve and Surplus**

	31-03-2017 Rs.	31-03-2016 Rs.
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per the last financial statements	2,97,68,585	2,91,43,883
Profit / (Loss) for the year:	(1,97,41,770)	7,80,878
<b>Less: Appropriations</b>		
Transfer to reserve fund under Section 45 I C(1) of Reserve Bank of India Act, 1934	-	1,56,176
<b>Net surplus in the Statement of Profit and Loss</b>	<b>1,00,26,815</b>	<b>2,97,68,585</b>

**Reserve Fund as per Section 45 I C(1) of Reserve Bank of India Act, 1934**

	31-03-2017	31-03-2016
Balance as per the last financial statements	92,89,250	91,33,074
Add: Amount transferred from surplus balance in the statement of profit and loss	-	1,56,176
<b>Closing Balance</b>	<b>92,89,250</b>	<b>92,89,250</b>
<b>Total Reserves and Surplus</b>	<b>1,93,16,065</b>	<b>3,90,57,835</b>

**4. Other Long Term Liabilities:**

Others payables		
Security Deposits	15,00,00,000	15,00,00,000
<b>Total</b>	<b>15,00,00,000</b>	<b>15,00,00,000</b>

**5. Short Term Borrowings**

<b>Unsecured</b>		
Loan from Body Corporate		
Repayment : Repayable at the end of One Year		
Interest Rate : 11.00 % p.a.	50,00,00,000	-
<b>Total</b>	<b>50,00,00,000</b>	<b>-</b>

**6. Other Current Liabilities:**

Others payables		
Expenses Payable	97,397	77,800
TDS Payable	15,027	5,000
<b>Total</b>	<b>1,12,424</b>	<b>82,800</b>

**7. Short Term Provisions:**

Provision for Tax (Net of Income Tax Deposits)		42,161
<b>Total</b>	<b>-</b>	<b>42,161</b>



**NILKANTH ENGINEERING LIMITED**  
**8. Tangible Assets**

	Building	Plant & Machinery	Furniture & Fittings	Computers	Office Equipments	Total
<b>Cost or Valuation</b>						
<b>At 1 April 2015</b>	18,43,464	88,000	80,763	-	97,200	21,09,427
Additions	7,61,82,883	29,82,732	4,37,06,977	1,04,200	80,04,743	13,09,81,535
Disposals	-	-	-	-	-	-
<b>At 31 March, 2016</b>	<b>7,80,26,347</b>	<b>30,70,732</b>	<b>4,37,87,740</b>	<b>1,04,200</b>	<b>81,01,943</b>	<b>13,30,90,962</b>
Additions	-	-	-	56,990	-	56,990
Adjustments	-	-	-	-	-	-
<b>At 31 March, 2017</b>	<b>7,80,26,347</b>	<b>30,70,732</b>	<b>4,37,87,740</b>	<b>1,61,190</b>	<b>81,01,943</b>	<b>13,31,47,952</b>
<b>Depreciation</b>						
<b>At 1 April 2015</b>	14,44,376	88,000	80,763	-	97,200	17,10,340
Charge for the year	39,302	2,951	61,972	65,917	19,715	1,89,857
Adjustments	-	-	-	-	-	-
<b>At 31 March, 2016</b>	<b>14,83,678</b>	<b>90,951</b>	<b>1,42,735</b>	<b>65,917</b>	<b>1,16,915</b>	<b>19,00,197</b>
Charge for the year	37,27,483	5,39,465	1,12,98,909	35,587	35,99,727	1,92,01,171
Adjustments	-	-	-	-	-	-
<b>At 31 March, 2017</b>	<b>52,11,161</b>	<b>6,30,416</b>	<b>1,14,41,644</b>	<b>1,01,504</b>	<b>37,16,642</b>	<b>2,11,01,368</b>
<b>At 31 March, 2016</b>	7,65,42,669	29,79,781	4,36,45,005	38,283	79,85,028	13,11,90,765
<b>At 31 March, 2017</b>	<b>7,28,15,186</b>	<b>24,40,316</b>	<b>3,23,46,096</b>	<b>59,686</b>	<b>43,85,301</b>	<b>11,20,46,585</b>



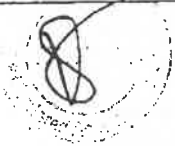
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**NILKANTH ENGINEERING LIMITED**

Notes to Financial Statements for the year ended 31st March, 2017

	31-03-2017 Rs.	31-03-2016 Rs.
<b>9. Non Current Investments</b>		
<b>Non-trade Investments</b> (valued at cost unless stated otherwise)		
<b>9.1 Quoted</b>		
<b>Investment in Equity Shares</b>		
73,500 (31 March 2016 - 73,500) Equity Shares of Rs.5/- each fully paid up of Jay Shree Tea & Industries Limited	25,14,083	25,14,083
122,200 (31 March 2016 - 122,200) Equity Shares of Rs.10/- each fully paid up of Mansoon Trading Company Limited	3,08,110	3,08,110
90,000 (31 March 2016 - 90,000) Equity Shares of Rs.10/- each fully paid up of Meenakshi Steel Industries Limited	2,12,570	2,12,570
	<u>30,34,763</u>	<u>30,34,763</u>
<b>9.2 Unquoted</b>		
<b>Investment in Equity Shares</b>		
1,711,000 (31 March 2016 - 1,270,000) Equity Shares of Rs.10/- each fully paid up of Aakarshak Synthetics Limited	1,61,51,200	1,17,41,200
573,900 (31 March 2016 - 573,900) Equity Shares of Rs.10/- each fully paid up of Jatayu Textiles & Industries Limited	1,83,70,553	1,83,70,553
267,300 (31 March 2016 - 267,300) Equity Shares of Rs.10/- each fully paid up of Manav Investment & Trading Company Limited	-	-
3,000 (31 March 2016 - 3,000) Equity Shares of Rs.10/- each fully paid up of Osiris Online Private Limited	30,075	30,075
72,000 (31 March 2016 - 40,000) Equity Shares of Rs.10/- each fully paid up of Rutgers Investment & Trading Company Private Limited	72,10,000	40,10,000
528,250 (31 March 2016 - 528,250) Equity Shares of Rs.10/- each fully paid up of Sushree Trading Limited	1,54,41,534	1,54,41,534
	<u>5,72,03,362</u>	<u>4,95,93,362</u>
<b>Total</b>	<u><b>6,02,38,125</b></u>	<u><b>5,26,28,125</b></u>
Aggregate amount of Quoted investments	30,34,763	30,34,763
Aggregate Market Value of Quoted investments	85,17,110	64,84,835
Aggregate amount of Unquoted investments	5,72,03,362	4,95,93,362
<b>10. Long Term Loans and Advances</b>		
<b>10.1 Deposits</b>	4,20,200	4,20,200
<b>10.2 Income Tax Deposits (Net of Provisions)</b>	1,06,689	-
<b>Total</b>	<u><b>5,26,889</b></u>	<u><b>4,20,200</b></u>
Note :		
Income Tax Deposits (Net of Provision for Tax) Includes :		
Income Tax Deposits	12,91,689	9,42,839
Less: Provision for Income Tax	11,85,000	9,85,000
	<u>1,06,689</u>	<u>(42,161)</u>
<b>11. Current Investments</b>		
<b>Non-trade Investments, Unquoted</b> (valued at cost unless stated otherwise)		
<b>In Mutual Fund Units</b>		
0.80 (31 March 2016 - Nil) Units of Birla Sun Life Cash plus -Growth Regular Plan	195	-
16490.897 (31 March 2016 - Nil) Units of Birla Sun Life Cash plus -Growth Direct Plan	42,70,175	-
	<u>42,70,370</u>	<u>-</u>
<b>Total</b>	<u><b>42,70,370</b></u>	<u><b>-</b></u>
Aggregate amount of Unquoted investments	42,70,370	-
<b>12. Cash and Bank Balances</b>		
<b>Cash and Cash equivalents</b>		
Cash on hand	1,373	1,654
Cheques in Hand	-	23,038
Balance with banks:		
In Current Accounts	4,11,866	2,75,719
	<u>4,13,239</u>	<u>3,00,411</u>
<b>Total</b>	<u><b>4,13,239</b></u>	<u><b>3,00,411</b></u>
	<u>1,461</u>	<u>1,461</u>
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>1,461</u>	<u>1,461</u>
<b>13. Short Term Loans and Advances</b>		
<b>13.1 Prepaid Expenses</b>	43,941	27,447
<b>13.2 Other Loans and Advances</b>		
Inter Corporate Deposits (ICD's)	50,40,25,000	1,55,05,400
Advances recoverable in cash or kind (Unsecured, Considered good)	1,56,197	2,14,737
	<u>50,42,25,138</u>	<u>1,57,47,584</u>
Less: Contingent Provision against Standard Assets as per RBI directions	12,63,617	50,772
	<u>50,29,61,521</u>	<u>1,56,96,812</u>
<b>Total</b>	<u><b>50,29,61,521</b></u>	<u><b>1,56,96,812</b></u>
<b>14. Other Current Assets</b>		
Unsecured, Considered good unless stated otherwise		
Interest accrued but not due on Loans	14,21,760	13,96,483
	<u>14,21,760</u>	<u>13,96,483</u>
<b>Total</b>	<u><b>14,21,760</b></u>	<u><b>13,96,483</b></u>

Particulars	SBNs	Other	Total
Closing cash in hand as on 08-11-2016	-	1,461	1,461
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30-12-2016	-	1,461	1,461





**NILKANTH ENGINEERING LIMITED**  
**Notes to Financial Statements for the year ended 31 March, 2017**

	31-03-2017 Rs.	31-03-2016 Rs.
<b>15. Revenue from Operations</b>		
<b>15.1 Interest Income</b>		
Interest on Loan given	18,56,750	15,73,685
	<u>18,56,750</u>	<u>15,73,685</u>
<b>15.2 Other Operating Income</b>		
Dividend on Long Term Investments	73,500	73,500
Gain on sale of Current Investments	70,370	81,816
	<u>1,43,870</u>	<u>1,55,316</u>
<b>Total</b>	<b><u>20,00,620</u></b>	<b><u>17,29,001</u></b>
<b>16. Other Income</b>		
Rent Received	11,88,000	11,07,000
<b>Total</b>	<b><u>11,88,000</u></b>	<b><u>11,07,000</u></b>
<b>17. Employee Benefit Expenses</b>		
Salaries, Wages and Bonus	9,07,645	6,18,000
Medical Reimbursement	15,000	15,000
Leave Travel Allowance	36,000	36,000
<b>Total</b>	<b><u>9,58,645</u></b>	<b><u>6,69,000</u></b>
<b>18. Finance Cost</b>		
Interest on Inter Corporate Loans	5,12,329	-
	<u>5,12,329</u>	<u>-</u>
<b>19. Depreciation and Amortization Expenses</b>		
Depreciation on Tangible Assets	1,92,01,171	1,89,857
	<u>1,92,01,171</u>	<u>1,89,857</u>
<b>20. Other Expenses</b>		
Advertisement expenses	22,438	21,960
Bank charges	3,799	2,700
Conveyance	13,088	7,697
Credit Information Membership Fees	5,725	17,100
Custodian / ISIN activation charges	46,287	-
Demat Account Charges	1,808	725
Filing Fees	43,200	9,600
General Expenses	8,891	1,573
Insurance Charges	45,943	34,969
Legal and Professional Charges	1,39,718	8,145
Listing Fees	2,29,000	2,24,720
Sundry balances written off	-	2,27,261
Property Tax	1,02,094	80,434
Provision for Contingent Against Standard Assets	12,12,845	8,093
Telephone Expenses	10,000	6,800
Travelling Expenses	17,959	1,924
Revocation Processing charges	28,750	-
Payment to Auditor	1,26,700	73,185
<b>Total</b>	<b><u>20,58,245</u></b>	<b><u>7,26,886</u></b>
<b>Payment to Auditor</b>		
<b>As Auditor</b>		
Audit Fees	80,000	40,000
Reimbursement of Service Tax	12,200	5,800
<b>In Other capacity</b>		
Certification fees	30,000	24,000
Reimbursement of Service Tax	4,500	3,385
	<u>1,26,700</u>	<u>73,185</u>



**NILKANTH ENGINEERING LIMITED****Notes to Financial Statements for the year ended 31st March, 2017****21. Gratuity and other post employment benefit plans (AS-15)**

No provision for gratuity has been made since gratuity liability is accounted for on payment basis.

**22. Segment Information (AS - 17)**

The Company is engaged in only one business i.e Non Banking Financial Services (granting of loans, making investments, etc.) and as such there are no other reportable segment in the context of Accounting Standard 17 "Segment Reporting". Therefore, Segment Information as required by Accounting Standard - 17 "Segment Reporting" is not applicable.

**23. Related Party Disclosures (AS - 18)****Name of related parties and related party relationship:**

## a) Key Management Personnel :

G. M. Loyalka	Director
Manish Newar	Director
R. D. Bhattar	Director
Rajshree Tapuriah	Director
Shruti Didwania	Company Secretary

**Material Transactions with related parties during the Year (Rs.)**

Particulars	Key Management Personnel (KMP)	
	2016-2017	2015-2016
Salary	2,05,645	-

Note : Related Parties are disclosed by the management and relied upon by the auditors.

**24. In accordance with Accounting Standard - 20 (AS - 20) Earnings per Share, the computation of earnings per share is set out below :**

Particulars	31st March 2017	31st March 2016
Net Profit/(Loss) after tax available for equity shareholders	(1,97,41,770)	7,80,878
Weighted average number of Equity Shares	12,45,000	12,45,000
Basic Earnings Per Share (In Rs.)	(15.86)	0.63
Nominal Value Per Share (In Rs.)	10.00	10.00

The Company does not have any dilutive potential equity shares. Consequently the basic and diluted earnings per share of the Company remain the same.

**25. Due to the uncertainty in the future taxable income, the Company has not recognized Deferred Tax as per Accounting standard-22 "Accounting for Taxes On Income".****26. The Company believes that no impairment of assets arises during the year as per the recommendations of Accounting Standard - 28 Impairment of Assets.****27. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006**

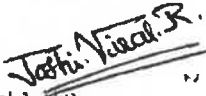
Based on the intimation received by the Company, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to amounts unpaid as at the year end together with interest paid /payable are required to be furnished.

**28. While determining diminution, other than temporary, in the value of the long term quoted / unquoted investments, the strategic objective of such investments and the asset base of the investee companies have been considered. In view thereof, the decline in the market value of such investments is considered to be of a temporary nature.****29. In the opinion of the Board, the Current Assets, Loans & Advances are realizable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.**


30. a) Figures of the previous year have been re-grouped and re-classified wherever necessary to correspond with the figure of the current period.


b) Figures have been rounded off to nearest rupee.

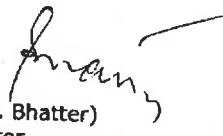
As per our report of even date attached  
For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn. No. 104863W


  
(Viral Joshi)  
Partner  
Membership No. 137686  
Place: Mumbai  
Date: May 26, 2017

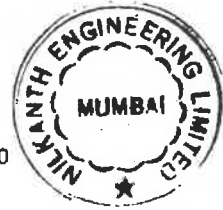


For and on behalf of the Board of Directors

  
(G.M. Loyalka)  
Director  
DIN : 00299416

  
(R. D. Bhatner)  
Director  
DIN : 00288162

  
(Shruti Didwania)  
Company Secretary  
Membership No. ACS 45950



**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF  
NILKANTH ENGINEERING LIMITED**

***Report on the Consolidated Financial Statements***

We have audited the accompanying consolidated financial statements of **NILKANTH ENGINEERING LIMITED** ("the Parent Company") and its four Associate Companies (together referred to as "Group"), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statement").

***Management's Responsibility for the Consolidated Financial Statements***

The Parent Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Parent Company's Board of Directors is also responsible for ensuring accuracy of the records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent Company as aforesaid.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.



(cont...2)

\* 2 \*

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

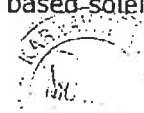
**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) In the case of the Consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**Other Matters**

We did not audit the financial statements/financial information in respect of Four Associate Companies which includes the Group's share of Net Profit of Rs.9,69,406/- for the year ended March 31, 2016, as considered in the consolidated financial statements, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors, whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Associates is based solely on the report of other auditors.



(cont...3)

\* 3 \*

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements / financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, we report, to the extent applicable, that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law maintained by the Parent Company, including relevant records relating to preparation of the aforesaid consolidated financial statements, have been kept so far as it appears from our examination of those books and records of the Parent Company.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained by the Parent Company for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors of the Parent Company as on March 31, 2016, and taken on record by the Board of Directors of the Parent Company, none of the directors of the Parent Company is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls relevant to the Parent Company's preparation of the consolidated financial statements, we refer to Annexure-B of our report of even date on the standalone financial statements of the Parent Company.

(cont...4)

\* 4 \*

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report that:
- i) There were no pending litigations which would impact the consolidated financial position of the Group.
  - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company, and its subsidiary companies.

192, Dr. D. N. Road  
Mumbai - 400001  
Dated: 01.09.2016



For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn No. 104863W

*V. Joshi. Viral. R.*  
(Viral Joshi)  
Partner  
Membership No. 137686

**NILKANTH ENGINEERING LIMITED**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016**

	Notes	As at 31-03-2016
<b>I EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' Fund</b>		
Share Capital	2	1,24,50,000
Reserves and Surplus	3	4,92,90,780
		6,17,40,780
<b>2 Non-Current Liabilities</b>		
Other Long Term Liabilities	4	15,00,00,000
<b>3 Current Liabilities</b>		
Other Current Liabilities	5	82,800
Short Term Provisions	6	42,161
<b>Total</b>		<b>21,18,65,741</b>
<b>II ASSETS</b>		
<b>1 Non Current Assets</b>		
Fixed Assets		
Tangible Assets	7	13,11,90,765
Capital Work in Progress		-
		13,11,90,765
Non Current Investments	8	6,28,61,070
Long Term Loans and Advances	9	4,20,200
		6,32,81,270
<b>2 Current Assets</b>		
Cash and Bank Balances	10	3,00,411
Short Term Loans and Advances	11	1,56,96,812
Other Current Assets	12	13,96,483
		1,73,93,706
<b>Total</b>		<b>21,18,65,741</b>

Significant Accounting Policies  
The accompanying notes are an integral part of the Financial Statements

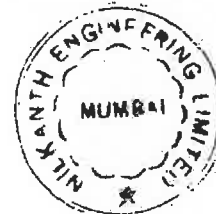
As per our report of even date attached  
For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants  
Firm Regn. No. 104863W

*(Viral Joshi)*  
Partner  
Membership No. 137686  
Place: Mumbai  
Date: September 1, 2016

For and on behalf of the Board of Directors

*(G.M. Loyalka)*  
Director  
DIN : 00299416

*(Rajshree Tapuria)*  
Director  
DIN : 01655859





**NILKANTH ENGINEERING LIMITED****CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

	Notes	For the Year ended 31-03-2016
<b>I INCOME</b>		
Revenue from Operations	13	17,29,001
Other Income	14	11,07,000
<b>Total Revenue</b>		<b>28,36,001</b>
<b>II EXPENSES</b>		
Employee Benefit Expenses	15	6,69,000
Depreciation and Amortization Expenses	16	1,89,857
Other Expenses	17	7,26,886
<b>Total Expenses</b>		<b>15,85,743</b>
<b>III Profit before Tax</b>		<b>12,50,258</b>
Less: Tax Expenses		
Current Tax		4,50,000
Earlier years adjustments		19,380
<b>IV Profit for the period</b>		<b>4,69,380</b>
Share of Profit of Associates		<b>7,80,878</b>
<b>V Profit / (Loss) after Tax and Share of profit of Associates</b>		<b>9,69,406</b>
		<b>17,50,284</b>
<b>VI Earnings per Equity Share</b>		
Basic	21	1.41
Diluted		1.41

Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements

1

As per our report of even date attached

For and on behalf of

**KARNAVAT & CO.**

Chartered Accountants

Firm Regn. No. 104863W

*Viral Joshi*  
(Viral Joshi)

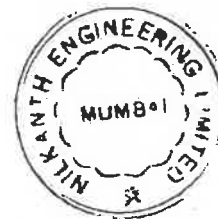
Partner

Membership No. 137686

Place: Mumbai

Date: September 1, 2016

For and on behalf of the Board of Directors

*G.M. Loyalka*  
(G.M. Loyalka)  
Director  
DIN : 00299416*Rajshree Tapuria*  
(Rajshree Tapuria)  
Director  
DIN : 01655859

**NILKANTH ENGINEERING LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

PARTICULARS	2015-2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net profit / (loss) before Tax	12,50,258
Add/(Less) Adjustments for	
Depreciation	1,89,857
Provision for expenses	77,800
Provision for Standard Assets	8,093
Interest accrued on loan	13,96,483
Compensation Received	(11,07,000)
Dividend Received	(73,500)
Profit on sale of Investments	(81,816)
Expenses prepaid	(27,447)
Operating Profit before working capital changes	16,32,728
Adjustment for Working Capital Changes:	
Trade and other receivables	(10,24,719)
Trade and other payables	(87,234)
Cash flow from operations before tax paid	5,20,775
Less : Direct Taxes paid (net of refund)	3,80,585
<b>Net Cash generated from / (used in) Operating Activities</b>	<b>1,40,190</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	
(Purchase)/Sale of Investments	34,97,734
Amount spent on Capital Work In Progress	(47,02,364)
Fixed Assets Purchased	(1,04,200)
Dividend Received	73,500
Compensation Received	11,07,000
<b>Net Cash flow generated from / (used in) Investing Activities</b>	<b>(1,28,330)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	
Security Deposits Received	-
<b>Net Cash flow generated from / (used in) Financing Activities</b>	<b>-</b>
<b>Net increase / (decrease) in Cash and Cash equivalent (A+B+C)</b>	<b>11,860</b>
<b>Cash and Cash equivalents as at April 1</b>	<b>2,88,551</b>
<b>Cash and Cash equivalents as at March 31</b>	<b>3,00,411</b>

**Notes:**

- 1 Cash & Cash equivalents comprises of
  - i) Cash on hand
  - ii) Bank Balances in current account
  - iii) Cheque in Hand

**Total**

**31-03-2016**

1,654  
2,75,719  
23,038  
**3,00,411**

- 2 Direct tax Paid are treated as arising from operating activity and not bifurcated between investment & Financing activity.
- 3 Previous year figures have been regrouped wherever necessary to confirm with current year groupings.
- 4 Figures in bracket denotes outflow.

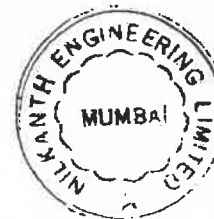
As per our report of even date attached  
 For and on behalf of  
**KARNAVAT & CO**  
 Chartered Accountants  
 Firm Regn. No. 104863W

(Viral Joshi)  
 Partner  
 Membership No. 137686  
 Place : Mumbai  
 Date: September 1, 2016

For and on behalf of the Board of Directors:

(G.M. Loyalka)  
 Director  
 DIN : 00299416

(Rajshree Tapuria)  
 Director  
 DIN : 01655859



**NILKANTH ENGINEERING LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2016**

**1. Basis of preparation of consolidated financial statements**

The consolidated financial statements of Nilkanth Engineering Limited ('the Company') and its associates company have been prepared on the basis of historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles (GAAP) in India and comply in all material respects with the Standards notified under section 133 of the companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The consolidated financial statements are presented in Indian rupees.

**2. Principals of Consolidation**

A. The consolidated financial statements of the Company and its associates have been prepared in accordance with the Accounting Standard 21 'Consolidated Financial Statements' and Accounting Standard (AS) – 23 "Accounting for Investments in Associates in Consolidated Financial Statements" notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the companies (Accounts) Rules 2014.

B. The consolidated financial statements have been prepared on the following basis:

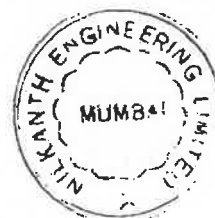
Investments in associates are accounted under equity method as per Accounting Standard (AS) – 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Under the equity method, the investment is initially recorded at cost, identifying goodwill/capital reserve arising at the time of acquisition and the carrying amount is increased/ decreased to recognize Group's share of profits/losses of the associates after the date of acquisition. Goodwill/Capital reserve arising on acquisition of the associates is included in the carrying amount of the respective investments. Unrealized profits resulting from transactions between the Group and the associates are eliminated to the extent of Group's interest in the associates. Unrealized losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group.

C. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

D. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances to the extent possible.

E. The companies considered in the consolidated financial statements are listed below:-

Sr. No	Name of the Company	Country of Incorporation	Date Of Associate	Becoming	% Holding as on 31.3.2016
1	Aakarshak Synthetics Limited	India	26/03/2013		26.46%
2	Jatayu Textiles & Industries Limited	India	31/10/2012		28.81%
3	Osiris Online Private Limited	India	26/02/2010		30.00%
4	Sushree Trading Limited	India	31/12/2011		42.43%



**NILKANTH ENGINEERING LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2016**

**3. Significant Accounting Policies**

**A. Use of estimates**

The preparation of consolidated financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to carrying amounts of assets or liabilities in future periods

**B. Revenue Recognition**

- i. The Group's income from operation is accounted for on accrual basis.
- ii. Dividend Income is recognized when the right to receive the dividend is established.
- iii. Revenue from sale of shares is recognized as per the terms of the contract/agreement entered into with the parties when the relevant conditions of the contract/agreement are performed.
- iv. Revenue from Sale of goods is recognized upon passage of title to the customer which would generally coincide with delivery thereof. Claims due to uncertainty in realization are accounted for an acceptance / cash basis.
- v. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- vi. Other items of revenue are recognised in accordance with the Accounting Standard (AS-9) - Revenue Recognition. Accordingly, wherever there are uncertainties in the ascertainment / realisation of income such as interest from Parties (including the financial condition of the person from whom the same is to be realized), the same is not accounted for.

**C. Tangible Fixed Assets**

All fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost includes all incidental expenses related to acquisition.

**D. Depreciation / Amortisation of Fixed Assets**

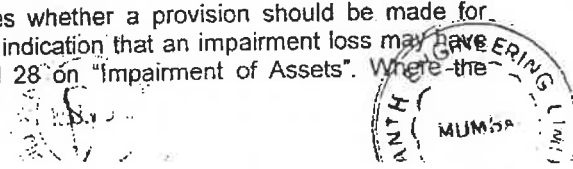
The Company has worked depreciation with reference to the useful lives of fixed assets prescribed by PART 'C' of Schedule II to the Act or the useful lives of assets as estimated by the Company, whichever is lower. The carrying values have been depreciated over the remaining useful lives of the assets using Written Down Value Method and the same is recognised in the Statement of Profit and Loss.

Depreciation on fixed assets acquired/sold during the year is provided on pro-rata basis.

Intangible Assets are amortised pro-rata on straight line method over the useful life of the assets as estimated by the management.

**E. Impairment of Tangible and Intangible Assets**

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets". Where the



**NILKANTH ENGINEERING LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2016**

recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made.

**F. Investments**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

The Investments are classified as Quoted & Unquoted Investments and valued as under:-

- a. Long term Investments are stated at cost less provision recorded to recognize any decline, other than temporary, in the carrying value of each Investment.
- b. Current Investments are stated at lower of cost and fair market value determined by category of Investments.

**G. Earnings per share**

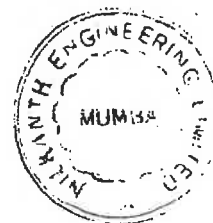
Basic Earnings per share are computed by dividing the net profit or loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculated Diluted Earnings per Share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. **Taxation**

- a. **Current Tax:** A provision for current income tax is made on the taxable income using the applicable tax rates and tax laws.
- b. **Deferred Tax:** Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognised unless there is a virtual certainty with respect to the reversal of the same in future.

**H. Provisions / contingencies**

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. Contingent liabilities are not provided for and are disclosed in the Notes on Accounts. Contingent assets are not recognised.

*NOTE: Significant Accounting Policies and Notes to these CFS are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Companies. Recognising this purpose, only such Policies and Notes from the individual financial statements are disclosed, which fairly present the needed disclosures.*



**NILKANTH ENGINEERING LIMITED**

Notes to Financial Statements for the year ended 31st March, 2016

	<u>31-03-2016</u>
	<u>Rs.</u>
<b>2. Share Capital</b>	
<b>Authorized Shares</b>	
12,50,000 Equity Shares of Rs. 10 each	1,25,00,000
	<u>1,25,00,000</u>
<b>Issued, Subscribed and fully paid up Shares</b>	
12,45,000 Equity Shares of Rs. 10 each	1,24,50,000
<b>Total</b>	<u>1,24,50,000</u>

**2.1 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period**

	<u>31-03-2016</u>	
	<u>Nos.</u>	<u>Rs.</u>
<b>Equity Shares:</b>		
At the beginning of the year	12,45,000	1,24,50,000
<b>Outstanding at the end of the year</b>	<u>12,45,000</u>	<u>1,24,50,000</u>

**2.2 Terms/Rights attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2016, the amount of dividend per share recognized as distributions to equity shareholders was Rs.NIL (31st March, 2015 Rs.NIL)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

**2.3 Details of shareholders holding more than 5% share in the company**

	<u>31-03-2016</u>	
	<u>Nos.</u>	<u>%</u>
<b>Equity Shares of Rs. 10/- each fully paid up</b>		
Aakarshak Synthetics Limited	1,70,000	13.65
Rutgers Investments And Trading Company Private Limited	1,12,000	9.00
Sushree Trading Limited	6,22,000	49.96
Kajal Synthetics & Silk Mills Limited	2,06,000	16.55

**3. Reserve and Surplus**

	<u>31-03-2016</u>
	<u>Rs.</u>
<b>Surplus in the Statement of Profit and Loss</b>	
Balance as per the last financial statements	2,91,43,883
Profit for the year:	17,50,284
<b>Less: Appropriations</b>	
Adjustment on account of Depreciation as per Schedule II of Companies Act, 2013	
Transfer to reserve fund under Section 45 I C(1) of Reserve Bank of India Act, 1934	3,50,057
<b>Net surplus in the Statement of Profit and Loss</b>	3,05,44,110
Add: Share of Profit of Associates at the beginning	92,63,539
	<u>3,98,07,649</u>
<b>Reserve Fund as per Section 45 I C(1) of Reserve Bank of India Act, 1934</b>	
Balance as per the last financial statements	91,33,074
Add: Amount transferred from surplus balance in the statement of profit and loss	3,50,057
<b>Closing Balance</b>	<u>94,83,131</u>
<b>Total Reserves and Surplus</b>	<u>4,92,90,780</u>

**4. Other Long Term Liabilities:**

Others payables		15,00,00,000
Security Deposits		15,00,00,000
<b>Total</b>		<u>15,00,00,000</u>

**5. Other Current Liabilities:**

Others payables		77,800
Expenses Payable		5,000
TDS Payable		82,800
<b>Total</b>		<u>82,800</u>

**6. Short Term Provisions:**

Provision for Tax (Net of Income Tax Deposits)		42,161
<b>Total</b>		<u>42,161</u>

Note :

Income Tax Deposits is net of provision for tax includes :

Provision for Income Tax		9,85,000
Less: Income Tax Deposits		9,42,839
		<u>42,161</u>



**MILKANTH ENGINEERING LIMITED**  
**7. Tangible Assets**

	Building	Plant & Machinery	Furniture & Fittings	Computers	Office Equipments	Total
<b>Cost or Valuation</b>						
<b>At 1 April 2014</b>	18,43,464	88,000	80,763	-	97,200	21,09,427
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>At 31 March, 2015</b>	<b>18,43,464</b>	<b>88,000</b>	<b>80,763</b>	-	<b>97,200</b>	<b>21,09,427</b>
Additions	7,61,82,883	29,82,732	4,37,06,977	1,04,200	80,04,743	13,09,81,535
Adjustments	-	-	-	-	-	-
<b>At 31 March, 2016</b>	<b>7,80,26,347</b>	<b>30,70,732</b>	<b>4,37,87,740</b>	<b>1,04,200</b>	<b>81,01,943</b>	<b>13,30,90,962</b>
<b>Depreciation</b>						
<b>At 1 April 2014</b>	14,24,396	87,608	79,140	-	89,192	16,80,337
Charge for the year	19,980	-	-	-	-	19,980
Adjustments	-	392	1,623	-	8,008	10,023
<b>At 31 March, 2015</b>	<b>14,44,376</b>	<b>88,000</b>	<b>80,763</b>	-	<b>97,200</b>	<b>17,10,340</b>
Charge for the year	39,302	2,951	61,972	65,917	19,715	1,89,857
Adjustments	-	-	-	-	-	-
<b>At 31 March, 2016</b>	<b>14,83,678</b>	<b>90,951</b>	<b>1,42,735</b>	<b>65,917</b>	<b>1,16,915</b>	<b>19,00,197</b>
<b>At 31 March, 2015</b>	3,99,088	-	-	-	-	3,99,087
<b>At 31 March, 2016</b>	<b>7,65,42,669</b>	<b>29,79,781</b>	<b>4,36,45,005</b>	<b>38,283</b>	<b>79,85,028</b>	<b>13,11,90,765</b>



**NILKANTH ENGINEERING LIMITED**

Notes to Financial Statements for the year ended 31st March, 2016

	31-03-2016
	Rs.
<b>8. Non Current Investments</b>	
<b>Non-trade Investments</b> (valued at cost unless stated otherwise)	
<b>8.1 Quoted</b>	
<b>Investment in Equity Shares</b>	
73,500 Equity Shares of Rs.5/- each fully paid up of Jayashree Tea & Industries Limited	25,14,083
122,200 Equity Shares of Rs.10/- each fully paid up of Mansoon Trading Company Limited	3,08,110
90,000 Equity Shares of Rs.10/- each fully paid up of Meenakshi Steel Industries Limited	2,12,570
	<u>30,34,763</u>
<b>8.2 Unquoted</b>	
<b>Investment in Equity Shares</b>	
<b>Investment in Associates</b>	
1,270,000 Equity Shares of Rs.10/- each fully paid up of Aakarshak Synthetics Limited	56,97,770
Add: Post Acquisition Profit/(Loss)	(6,91,465)
Add: Goodwill/(Capital Reserve) on Investment in Associates	60,43,430
	<u>1,10,49,735</u>
573,900 Equity Shares of Rs.10/- each fully paid up of Jatayu Textiles & Industries Limited	2,10,70,901
Add: Post Acquisition Profit/(Loss)	13,46,792
Add: Goodwill/(Capital Reserve) on Investment in Associates	(27,00,348)
	<u>1,97,17,345</u>
3,000 Equity Shares of Rs.10/- each fully paid up of Osiris Online Private Limited	(16,236)
Add: Post Acquisition Profit/(Loss)	22,477
Add: Goodwill/(Capital Reserve) on Investment in Associates	46,311
	<u>52,552</u>
528,250 Equity Shares of Rs.10/- each fully paid up of Sushree Trading Limited	3,61,43,911
Add: Post Acquisition Profit/(Loss)	95,55,141
Add: Goodwill/(Capital Reserve) on Investment in Associates	(2,07,02,377)
	<u>2,49,96,675</u>
<b>Investment in Other Companies</b>	
40,000 Equity Shares of Rs.10/- each fully paid up of Rutgers Investment & Trading Company Private Limited	40,10,000
267,300 Equity Shares of Rs.10/- each fully paid up of Manav Investment & Trading Company Limited	-
	<u>5,98,26,307</u>
<b>Total</b>	<u><u>6,28,61,070</u></u>
Aggregate amount of Quoted investments	30,34,763
Aggregate Market Value of Quoted Investments	64,84,835
Aggregate amount of Unquoted Investments	5,98,26,307
<b>9. Long Term Loans and Advances</b>	
<b>9.1 Deposits</b>	
<b>9.2 Income Tax Deposits (Net of Provisions)</b>	4,20,200
	<u>4,20,200</u>
<b>10. Cash and Bank Balances</b>	
Cash and Cash equivalents	
Cash on hand	1,654
Cheques in Hand	23,038
Balance with banks:	
In Current Accounts	2,75,719
	<u>3,00,411</u>
<b>11. Short Term Loans and Advances</b>	
<b>11.1 Prepaid Expenses</b>	
<b>11.2 Other Loans and Advances</b>	27,447
Inter Corporate Deposits (ICD's)	1,55,05,400
Advances recoverable in cash or kind (Unsecured, Considered good)	2,14,737
	<u>1,57,47,584</u>
Less: Contingent Provision against Standard Assets as per RBI directions	50,772
	<u>1,56,96,812</u>
<b>12. Other Current Assets</b>	
Interest accrued but not due on Loans	13,96,483
	<u>13,96,483</u>





**NILKANTH ENGINEERING LIMITED**  
**Consolidated Notes to Financial Statements for the year ended 31 March, 2016**

	<u>31-03-2016</u>
	<u>Rs.</u>
<b>13. Revenue from Operations</b>	
<b>13.1 Interest Income</b>	
Interest on Loan given	15,73,685
	<u>15,73,685</u>
<b>13.2 Other Operating Income</b>	
Dividend on Long Term Investments	73,500
Net gain on sale of Current Investments	81,816
	<u>1,55,316</u>
<b>Total</b>	<b><u>17,29,001</u></b>
<b>14. Other Income</b>	
Rent Received	11,07,000
<b>Total</b>	<b><u>11,07,000</u></b>
<b>15. Employee Benefit Expenses</b>	
Salaries, Wages and Bonus	6,18,000
Medical Reimbursement	15,000
Leave Travel Allowance	36,000
<b>Total</b>	<b><u>6,69,000</u></b>
<b>16. Depreciation and Amortization Expenses</b>	
Depreciation on Tangible Assets	1,89,857
	<u>1,89,857</u>
<b>17. Other Expenses</b>	
Advertisement expenses	21,960
Bank charges	2,700
Conveyance	7,697
Credit Information Membership Fees	17,100
Demat Account Charges	725
Filing Fees	9,600
General Expenses	1,573
Insurance Charges	34,969
Legal and Professional Charges	8,145
Listing Fees	2,24,720
Sundry balances written off	2,27,261
Property Tax	80,434
Provision for Contingent Against Standard Assets	8,093
Telephone Expenses	6,800
Travelling Expenses	1,924
Payment to Auditor	73,185
<b>Total</b>	<b><u>7,26,886</u></b>
<b>Payment to Auditor</b>	
<b>As Auditor</b>	
Audit Fees	40,000
Reimbursement of Service Tax	5,800
<b>In Other capacity</b>	
Certification fees	24,000
Reimbursement of Service Tax	3,385
	<u>73,185</u>



**NILKANTH ENGINEERING LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2016**

**18. Gratuity and other post employment benefit plans (AS-15)**

No provision for gratuity has been made since none of the employees has completed five years of continuous service.

19. The Group is primarily engaged in investment & financial activities. These in context of Accounting Standard -17 on Segment Reporting in the opinion of the management, are considered to one single Primary Segment.

**20. Related Party Disclosures:-**

I. Other Related Parties with whom the company had transactions:-

A. Associates :-

1. Aakarshak Synthetics Limited
2. Jatayu Textiles & Industries Limited
3. Osiris Online Private Limited
4. Sushree Trading Limited

II. During the year, there were no transactions with any of the related parties.

**21. Earnings Per Share**

Particulars	For the Year Ended March 31,2016
(a) Calculation of weighted average number of Equity Shares of Rs. 10/- each	
No. of Equity Shares at the beginning of the year	12,45,000
Equity Shares issued during the year	NIL
Total number of Equity Shares outstanding at the end of the year	12,45,000
(b) Net Profit / (Loss) after tax available for equity shareholders (Rs.)	17,50,284
(c) Basic and diluted Earnings per Equity Share of Rs. 10/- each	1.41

22. No Deferred Tax Assets have been recognized on the carried forward Losses as per the Income Tax Act, 1961 considering the prudence aspect. However, the position would be reviewed on yearly basis.

23. No Deferred Tax Assets have been recognized on the carried forward Losses as per the Income Tax Act, 1961 considering the prudence aspect. However, the position would be reviewed on yearly basis.

**24. Contingent Liability not provided in respect of:-**

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil/-

Other Contingent Liability – Rs. Nil/-.

25. There were no dues outstanding amounts payable to Micro, Small and Medium Enterprises included under Current Liabilities, as per the information available with the Company and relied upon by the auditors (Previous Year – Nil).



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26. In the opinion of the Board, the Current assets, and Loans and Advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated in the books of account and adequate provision has been made of funds all known liabilities.
27. Additional information as required under Schedule III to the Companies Act 2013, of enterprises consolidated Associate Companies:

Name of Entities	Net Assets i.e. Total Assets minus Total Liability		Share in Profit/Loss	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profits	Amount
		(In Rs.)		(In Rs.)
<b>Parent</b>				
Nilkanth Engineering Limited	83.43%	5,15,07,835	44.61%	7,80,878
<b>Associates (Investments as per the equity method)</b>				
<b>a) Indian</b>				
Aakarshak Synthetics Limited	17.90%	1,10,49,735	-15.48%	(2,70,857)
Jatayu Textiles & Industries Limited	31.94%	1,97,17,345	38.12%	6,67,168
Osiris Online Private Limited	0.09%	52,552	0.19%	3,331
Sushree Trading Limited	40.49%	2,49,96,675	32.55%	5,69,763
<b>Sub Total</b>		<b>5,58,16,307</b>		<b>9,69,406</b>
<b>Less: Adjustment on account of Inter Company Elimination</b>	-70.83%	(4,55,83,362)	0.00%	-
<b>Grand Total</b>	<b>100.00%</b>	<b>6,17,40,780</b>	<b>100.00%</b>	<b>17,50,284</b>

28. Statement pursuant to section 129(3) of the Companies Act, 2013 relating to Associate Companies :-

Name of Associate Company	Aakarshak Synthetics Limited	Jatayu Textiles & Industries Limited	Osiris Online Private Limited	Sushree Trading Limited
Latest audited Balance Sheet Date	31-03-2016	31-03-2016	31-03-2016	31-03-2016
Date on which the Associate was associated or acquired	26.03.2013	31.10.2012	26.02.2010	31.12.2011
Share of Associate held by the company on the year end:				

**NILKANTH ENGINEERING LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2016**

Number of Shares	12,70,000	5,73,900	3,000	5,28,250
Amount of Investment in Associates (In lacs)	1,17,41,200	1,83,70,553	30,075	1,54,41,534
Extend of Holding(%)	26.46%	28.81%	30.00%	42.43%
Description of how there is significant influence	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1
Reasons why the associate is not consolidated	NA	NA	NA	NA
Net worth attributable to shareholding as per latest Audited Balance Sheet	1,89,21,466	7,78,11,540	65,20,801	10,77,05,292
<b>Profit or Loss for the year</b>				
i. Considered in Consolidation	(2,70,857)	6,67,168	3,331	5,69,763
ii. Not Considered in Consolidation	-	-	-	-

**Note 1:**

- a) There is a significant influence due to percentage (%) of share capital.
- b) The above statement also indicates Performance of the Associates.
- c) Name of associate which are yet to commence operations:  
None
- d) Name of associate which have been liquidated or sold during the year:  
None

29. As per the provisions of Non Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, the Company is a Non Systemically Important Non Deposit Accepting Company since the asset size of the Company is less than Rs. 500 Crores as at 31.03.2016. Further the provisions of the said directions are not applicable to the Company (since the company does not have any public fund) except Para 15 relating to submission of a certificate from Statutory Auditor to the Reserve Bank of India on an annual basis.

30. Comparative figures for the previous year have not been presented in view of the Transition provision of Accounting Standard 21 'Consolidated Financial Statements. Further in the preparation of the cash flow statement from the current year, management certified accounts of the previous year have been considered.

As per our report of even date attached  
For and on behalf of  
**KARNAVAT & CO.**  
Chartered Accountants,  
Firm Registration No. 104863W

*Viral Joshi*  
**Viral Joshi**  
Partner  
Membership No.: 137686



For and on behalf of the Board of Directors

*G. M. Loyalka*  
**G. M. Loyalka**  
Director  
DIN: 00299416

*Rajshree Tapuria*  
**Rajshree Tapuria**  
Director  
DIN: 01655859

Place: Mumbai  
Date: September 1, 2016

