

NILKANTH ENGINEERING LIMITED

CIN NO: L27300MH1983PLC029360

Regd. Office: 407, Kalbadevi Road, Daulat Bhawan, 3rd Floor, Mumbai - 400 002

Tel: 2200 0830, Email: nilkanthengineeringltd@gmail.com

Website: www.nilkanthengineering.co.in

September 4, 2021

BSE Limited
P. J. Tower,
Dalal Street,
Fort, Mumbai 400 001

Ref : Scrip Code - 512004

Sub : Annual Report for the Financial year 2020-21

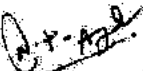
Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are submitting herewith the Annual Report for the Financial Year 2020-21

Kindly take the same on record and oblige.

Thanking you,

Yours faithfully,
For NILKANTH ENGINEERING LIMITED


Nitin Agrawal
Managing Director
(DIN-08186528)



NILKANTH ENGINEERING LIMITED
Annual Report
2020-2021

NILKANTH ENGINEERING LIMITED

Board of Directors

DIN

Shri. Nitin Agrawal	08186528	Managing Director
Shri. G. M. Loyalka	00299416	Non-Executive Non-Independent Director
Shri. Manish Newar	00469539	Non-Executive Non-Independent Director
Shri. Ramdas Bhattar	00288162	Non-Executive Independent Director
Smt. Rajshree Tapuriah	01655859	Non-Executive Independent Director

Company Secretary:

Ms. Shruti Didwani
Company Secretary & Compliance Officer

Auditor :

M/s Kamavat & Co.
Chartered Accountants
2A, Kitab Mahal, 1st Floor
192, D. N. Road,
Mumbai 400 001

Registered Office :

407, Kalbadevi Road,
3rd Floor, Daulat Bhavan
Mumbai 400 002
CIN - L27300MH1983PLC029360

Registrar & Share Transfer Agent

Adroit Corporate Services Private Limited
19, Jaferbhoy Industrial Estate, 1st Floor
Makwana Road, Marol Naka, Andheri (East),
Mumbai 400 059

NILKANTH ENGINEERING LIMITED

CIN NO: L27300MHI983PLC029360

Regd. Office: 407, Kalbadevi Road, Daulat Bhawan, 3rd Floor, Mumbai — 400 002,

Email : nilkanthengineeringltd@gmail.com

Website : www.nilkanthengineering.co.in

NOTICE

NOTICE is hereby given that the Thirty Eight Annual General Meeting (AGM) of the members of Nilkanth Engineering Limited (the Company) will be held on Wednesday, the 29th day of September, 2021 at 4.30 pm at the registered office of the Company at 407, Kalbadevi Road, 3rd Floor, Daulat Bhawan, Mumbai 400 002 to transact the following business :

Ordinary Business:

1. To consider and adopt the Audited Financial Statements including audited consolidated financial statements of the Company for the financial year ended March 31, 2021, together with the reports of the Board of Directors and the Auditors thereon.
2. To re-appoint a Director in place of Mr. Nitin Agrawal (DIN No: 08186528) who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business :

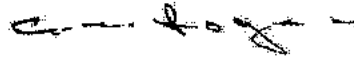
3. To consider and if thought fit, to pass, with or without modification, the following resolution as Special Resolution :

RESOLVED THAT pursuant to provision of section 186(3) and other applicable provision of the Companies Act, 2013 read with the relevant rules made thereunder, including any statutory modification(s) and re-enactments thereof for time being in force, subject to the terms of Articles of Association of the Company and subject to such other approvals, consents, sanctions and permission as may be necessary, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which terms shall be deemed to include any committee of the Board) for making investments in excess of the limits specified under section 186 of the Companies Act, 2013 from time to time in acquisition of securities of any body corporate or for giving loans, guarantees or providing securities to any body corporate or other persons / entity in India as may be considered appropriate for an amount not exceeding Rs 250 Crore (Rupees Two Hundred Fifty Crore) notwithstanding that such investment and acquisition together with existing investments of the company in all bodies corporate, loans and guarantees given and securities provided shall be in excess of limit prescribed under section 186(2) of the Companies Act, 2013, i.e. limit available to the Company is Sixty percent of its paid up capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more.



FURTHER RESOLVED THAT, for the purpose of giving effect to the foregoing resolution, the Board be and is hereby authorized to do all such acts, deeds things and to take all such steps as may be necessary or incidental thereto including but not limited to delegation of all or any of its powers herein conferred to any committee or any director(s) of the Company or to settle any questions, difficulties or doubts that may arise in this connection without being required to seek any further clarification, consent or approval of the members of the Company.

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



G. M. Loyalka
Director
(DIN-00299416)



Place: Mumbai

Date: 1st September, 2021

NOTES:

1. A statement pursuant to Section 102(1) of the Companies Act, 2013 (the Act) relating to certain ordinary business and the special business to be transacted at the 38th Annual General Meeting is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement along with the Registrar of Directors, Key Managerial Personnel and their shareholdings and other requisite documents shall be available for inspection electronically.

2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint proxy to attend and vote on his / her behalf and the proxy need not be the members 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.

3. The Annual Report including Notice of AGM has been uploaded on the website of the Company www.nilkanthengineering.co.in and the same is attached to the email sent to you for the AGM. The same can be accessed and download from the website of Stock Exchange – The BSE Limited at www.bseindia.com and from the website of National Securities Depository Limited at e-voting@nsdl.co.in.

4. 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.

5. The Register of Members and Share Transfer Register of the Company will remain closed from Wednesday, 22nd September, 2021 to Tuesday, 28th September, 2021, (both days inclusive) for the purpose of AGM.

6. 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. Girish Murarka, Proprietor of GIRISH MURARKA & CO. practicing Company Secretaries, Mumbai to conduct and scrutinize the e-voting process in a fair and transparent manner.



7. The instruction for shareholder for remote e-voting are as under

The way to vote electronically on NSDL e-voting system consist of Two Steps which are mentioned below:

Step 1 : Login to NSDL e-voting system at <http://www.evoting.nsdl.com>

- a) Visit the e-voting website of NSDL. Open web browser by typing the following URL : <http://www.evoting.nsdl.com> either on your Personal Computer or on a mobile
- b) Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder section
- c) A new screen will be open. You will have to enter your User ID, your Password and verification code as shown on the screen

Step 2 : Casting your vote electronically

d) User ID details are given below:

Manner of holding shares ie Demat (NDSL or CDSL) Or Physical	Your User ID is :
a) For Members holds the share in Demate Account with NDSL.	8 character DP ID followed by 8 digit client ID for example your DP ID is IN300*** and your Client ID is 12***** then your User ID is IN300***12*****
b) For Members holds the share in Demate Account with CDSL	16 digit Beneficiary ID. For example if your Beneficiary ID is 12***** then your User ID is 12*****

e) Your Password details are given below:

- i) If you are already registered for e-voting, then you can use your existing password to login and cast your vote
- ii) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password', you need enter the initial password and the system will force you to change your password
- iii) How to retrieve initial password?
 - a) If your email id is registered in your Demat Account or with the Company, the initial password is communication to you on your email id. Trace the email sent to you from NSDL from your email box. Open the email and open the attachment which is in PDF. Open the pdf file. The password to open the pdf file is your 8 digit Client ID for NSDL Account, last 8 digit of your Client ID for CDSL Account
 - b) If your email id is not registered, your initial password will be communicated to you on your postal address
- f) If you are unable to retrieve or have not received your initial password or have forgotten the password - Click on 'Forgot user detail / password' (if you are holding the share in demat account with NSDL / CDSL) option available on www.evoting.nsdl.com .
- g) After entering your password, Tick on Agree to " Terms and conditions" by selecting on the check box.
- h) Now you have to click on "Login" button
- i) After you click on Login button, home page of e-voting will open



Step 2: Cast your vote electronically on NSDL e-voting system

- a) After successful login at Step 1, you will be able to see Home Page of e-voting. Then click on Active voting cycle.
- b) After click on Active voting cycle, you will be able to see all the Companies "EVEN" in which you are holding shares and whose voting cycle is in active status
- c) Select "EVEN" of the Company for which you wish to cast your vote
- d) Now you are ready for e-voting as the voting page opens
- e) Cast your vote by selecting appropriate option i.e. Assent or Dissent, verify / modify Number of shares for which you cast your vote and click on submit and confirm when prompted
- f) After confirmation, Vote casted successfully will be displayed
- g) You can also take the print out of your votes casted by you, by clicking on the print out option on the confirmation page
- h) Once you confirm your vote on the resolution

8. GENERAL INFORMATION FOR THE SHAREHOLDERS

- a) The Voting rights of the members shall be in proportion to their shares fully paid equity capital as on the cut off date 21st September, 2021
 - b) The e-voting period commences on Sunday, 26th September, 2021 commences at 9.00 am and ends on Tuesday, 28th September, 2021 at 5.00 pm. 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 21st September, 2021
 - c) The Board of Directors has appointed M/s Girish Murarka & Co., Practicing Company Secretary, having Certificate of Practice No. 4576 as Scrutinizer to scrutinize the remote e-voting (including the Ballot Form received from the Members who do not have access to e-voting process) in fair and transparent manner.
 - d) The Scrutinizer shall, immediately after the conclusion of voting at 36th AGM, count the vote cast at the meeting and thereafter, unblock the vote cast through e-voting in presence of at least two witness not in the employment of the Company and submit, not later than three days of the conclusion of the meeting, a consolidated Scrutinizer's Report of the total vote casted favour or against the resolution to the Chairman or any person authorized by him in writing.
 - e) The Chairman or the Authorized Representative will declare the result of the voting (E-voting and voting through Ballot Paper). The Said Results and Scrutinizer's Report will be placed on the website of the Company
- 9. 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:- Ms. Shruti Didwania
Designation:- Company Secretary and Compliance Officer
Address: 407, Kalbadevi Road, 3rd Floor, Daulat Bhavan, Mumbai 400 002
Email : nilkanthengineeringltd@gmail.com



EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013
ANNEXURE TO THE NOTICE

Item No. 3


The provision of section 186(2) of the Companies Act, 2013 prescribed the limit for the Company for giving loans, acquisition of securities of body corporate, guarantees or provide security in connection of loan – upto 60% of its paid up capital, free reserves and securities premium account OR 100% of its free reserves and securities premium account whichever is more.

As per section 186(3) of the Companies Act, 2013, the Company can give loan and make investment, provide guarantees or provide security in connection with loan in excess of the limit under section 186(2) of the Act, after taking prior approval of members of the Company by means of Special Resolution duly passed at the General Meeting of the Company.

In order to make optimum use of surplus funds of the Company and also to achieve long term strategic and business objective, the Board of Director proposes to make use of surplus funds for acquisition of shares, giving loans and make investment which is in the beneficial interest of the Company in excess of limits prescribed under section 186(2) of the Act. Hence Board recommend Special Resolution under section 186(3) of the Act.

None of the Director, other than the Directors proposed to be appointed (in their respective resolutions of appointment), Key Managerial Personnel or their relatives, are directly / indirectly concerned or interested, financial or otherwise in this resolution.

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



G. M. Loyalka
Director
(DIN-00299416)

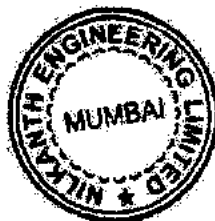


Place: Mumbai

Date: 1st September, 2021

Information on Director being re-appointed as required under regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant provision of Secretarial Standard on General Meeting (SS-2)

Name of Director	Nitin Agarwal
DIN	08186528
Date of Birth	23.12.1984
Relationship with other Directors inter-se	Nil
Date of Appointment	01.08.2018
Expert in Specialized Area	Marketing
Qualification	MBA (HR and Mktg)
No. of Equity Shares held in the Company	Nil
Directorship in other Public Limited Company	Nil
Chairman / Membership of the Committee of other Company	Nil



NILKANTH ENGINEERING LIMITED

CIN NO: L27300MH1983PLC029360

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Website : www.nilkanthengineering.co.in

BOARD'S REPORT

To,
The Members
Nilkanth Engineering Limited

The Directors of your Company are pleased to present their Thirty Eighth Annual Report and the Audited Financial Statements for the financial year ended 31st March, 2021.

FINANCIAL RESULTS

The financial performance of the Company, for the financial year ended 31st March, 2021 is summarized below:

Particulars	Standalone		Consolidated	
	Financial Year 2020-21	Financial Year 2019-20	Financial Year 2020-21	Financial Year 2019-20
Revenue from Operations	15.95	17.62	15.95	17.62
Total Income	15.95	17.62	15.95	17.62
Expenditure	94.09	109.20	94.09	109.20
Profit/(Loss) before tax	(78.14)	(91.58)	(78.14)	(91.58)
Share in Profit/(Loss) of Associates	-	-	154.42	(193.20)
Tax Expenses	-	-	-	-
Excess/(Short) Tax provisions	-	(0.27)	-	(0.27)
Profit/(Loss) after Tax	(78.14)	(91.85)	76.27	(285.05)
Other Comprehensive Income/(Loss)	26.58	(27.91)	362.78	(11,256.41)
Total Comprehensive Income/(Loss) for the year	(51.58)	(119.76)	439.05	(11541.46)

COVID -19 IMPACT

The year under review has been one of the most challenging year of the Company. The COVID-19 pandemic outbreak which began in the middle of March, 2020, continued to impact the economy throughout the financial year 2020-21. The year was full of uncertainties with slowdown in activities on the ground. The world was introduced to the new normal of lockdowns, containment zones, work from home with restricted movement of people and goods.



The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. It is focused on controlling cost, maintaining liquidity and closely monitoring to the operation. The Company believes that it has taken into account the impact of known events arising out of COVID-19 pandemic in the preparation of financial results resulting out of fair valuation of the investments. The Company has not faced any material adversity of its financial position as at 31st March, 2021 and considering the other relevant facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However the impact of the global health pandemic may differ from that estimated as at the date of approval of the financial results and the Company will continue to closely monitor any material changes to future economic conditions.

INDIAN ACCOUNTING STANDARDS (IND AS)

The Company has adopted Indian Accounting Standards (IND-AS) from April 1, 2019 with transaction date of April 1, 2018. Accordingly, the Financial Statement for the year 2020-21 have been in accordance with IND AS, prescribed under section 133 of the Act, read with the relevant rules issued thereunder and the other recognized accounting practices and policies to the extent applicable.

PERFORMANCE REVIEW

The Company has adopted IND AS for reporting financial results for the year under review. During the year under review, the Company's netted off loss of Rs. 78,14,349/- before tax (Previous Year Net Loss of Rs. 91,58,202/-) and net Comprehensive Income for the year after tax was at Rs. 4,39,04,916/- (Previous year the total Comprehensive Loss of Rs. 1,15,41,45,897/-)

The Company is engaged in the business of making of long term investment and letting out of immovable property. There have been no material changes in the business of the Company during the financial year.

FINANCE

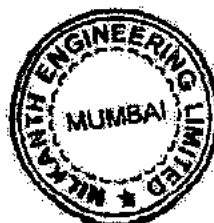
Your Company has made provisions for sufficient borrowing facilities to meet its long-term and short-term requirement in order to support the business operations.

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 UNDER RBI ACT, 1934

The Company does not require to transfer any funds to Special Reserve Funds under RBI Act, 1934 as the Company has surrendered the Certificate of Registration issued by Reserve Bank of India to carry on Business as Non-Banking Finance Company as the operations of the Company does not satisfy the criteria of assets and Income pattern in terms of Press Release No. 1998-99/1269 dated 08.04.1999 issued by Reserve Bank of India.



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.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

SHARE CAPITAL

The Authorised Share Capital as on 31st March, 2021 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 2020-21

The Issued Share Capital as on 31st March, 2021 was Rs. 1,24,50,000/- (Rupees One Crore Twenty Five Lac 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 31st March, 2020 and also as on the date of this report, your Company does not have any Subsidiary.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2021 is available on the website www.nilkanthengineering.co.in

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

Pursuant to section 129(3) of the Companies Act, 2013, the statement containing the salient feature of financial statement of Company's subsidiary, associate and joint venture of the Company are as under:

The Company does not have subsidiary Company.

However the Company have Associate companies the brief details of which is being given hereunder:

1. Jatayu Textiles & Industries Limited (Associate Company)

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

The total revenue of Jatayu during the financial year 2020-21 was Rs.1,488.03 Lakh. The Company netted Profit After Tax is Rs. 592.89 Lakhs



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

The total revenue of Osiris during the financial year 2020-21 was Rs. 0.30 Lakh. The Company net Profit After Tax is Rs. 0.09 Lakhs

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

The total revenue of Sushree during the financial year 2020-21 was Rs. 20.05 Lakh. The Company net Loss After Tax is Rs. 38.58 Lakhs

The Company does not have any Joint Venture.

The details of the Company's subsidiary, associate and Joint Venture Company as on 31st March, 2021 is given under **Annexure 1**

PARTICULARS OF EMPLOYEES

There was no employee in the company drawing remuneration in excess of the limits set out in the Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further, the disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report as "**Annexure-2**".

Furthermore, the disclosures pertaining to remuneration and Top Ten Employees details are provided in the Annual Report as "**Annexure-3**".

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause (B) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, A detailed Management Discussion and Analysis Report on the Financial Conditions and Result of operations of the Company is included in this Annual Report under the heading "**Annexure-4**".

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the Company had not entered into any transactions as enumerated in section 188 of the Companies Act, 2013 and rules made thereunder with the 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.

CEO / CFO CERTIFICATION:

As required by Regulation 17(8) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, The CEO / CFO certificate for the financial year 2020-21 has been submitted to the Board and the copy thereof is contained in the Annual Report.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company believes that a strong internal control framework is an important pillar of Corporate Governance. The Company has in place adequate internal financial control system which ensure orderly and efficient conduct of its business, safeguarding of its assets and accuracy and completeness of accounting records, timely preparation of reliable financial information and various regulatory and statutory compliance.

Further, company's internal control system is commensurate with the size, scale and complexity of its operations. The main thrust of internal audit is to test and review controls, appraisal of risks with best practices in the industry. The Management with Audit Committee periodically reviews the Internal Control System and procedure for the efficient conduct of the business.

RISK MANAGEMENT

The Company operates in conditions where economic environment and social risk are inherent to its businesses. In managing risk, it is the Company's practice to take advantage of potential opportunities while managing potential adverse effects.

The various elements of risk which the Directors think, that may threaten the existence of the Company are:

- a) **Financial Risk**: Financial risk generally arises due to instability and losses in the financial market caused by movements in stock prices, currencies, interest rates and more.
- b) **Liquidity Risk**: It is the risk that the Company will be unable to meet its financial commitment to a Bank/Financial Institution in any location, any currency at any point in time. The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss.
- c) **Credit Risk**: The risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation.
- d) **Time Risk**: To compensate for non-receipt of expected inflow of funds.

In line with Listing Regulations and as per the requirement of Section 134(3) (n) of the Companies Act, 2013 read with the rules made there under, as amended, Board has a framework for Risk Management to oversee the mitigation of such risks.



REMUNERATION POLICY

The Nomination and Remuneration Policy of the company as mandated under Section 178 (3) (4) of the Companies Act, 2013 is available on the website of the company

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 Section 134(5) of the Companies Act, 2013, your Directors make the following statement and confirm that:-

- i) in the preparation of the annual accounts for the year ended 31 March 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) the Directors had 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 2021 and of the Loss of the Company for year ended on that date;
- iii) the Directors had 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 had prepared the Annual Accounts on a 'going concern basis';
- v) the Directors had 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.

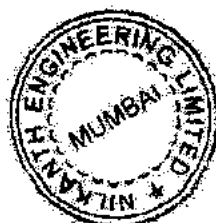
CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statement for the financial year 2020-21 is prepared in accordance with applicable provisions of the Companies Act, 2013, Accounting standard and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated a Vigil Mechanism (Whistle Blower Policy) for its directors and employees of the Company for reporting genuine concerns about unethical practices and suspected or actual fraud or violation of the code of conduct of the Company pursuant to the provisions of Section 177 of the Companies Act, 2013 read with the rules made thereunder. This vigil mechanism shall provide a channel to the employees and Directors to report to the management, concerns about unethical behavior, and also provide for adequate safeguards against victimization of persons who use the mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional. The practice of the Vigil Mechanism / Whistle Blower Policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee.

The Company will take appropriate action for its resolution. During the year, no whistle blower event was reported and mechanism is functioning well.



CODE OF CONDUCT

Company's Board has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. The Code of Conduct is available on the Company's website www.nilkanthengineering.co.in. All Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct for Board Members and Senior Management during the financial year 2020-21. The declaration in this regard has been made by the Management Director which forms the part of this report as an annexure.

CORPORATE GOVERNANCE

As per Regulation 15(2) of the Listing Regulations, the compliance with the Corporate Governance provisions shall not apply in respect of the following class of companies:

- a. Listed Entity having paid up equity share capital not exceeding Rs.10 crore and Net Worth not exceeding Rs.25 crore, as on the last day of the previous financial year;
- b. Listed Entity which has listed its specified securities on the SME Exchange.

Since, our Company falls in the ambit of aforesaid exemption (a); hence compliance with the provisions of Corporate Governance shall not apply to the Company and it also does not form part of the Annual Report.

DISCLOSURE OF SECRETARIAL STANDARD BY DIRECTORS

The company complies with all applicable standards issued by the institute of Company Secretaries of India. The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

The company complies with all applicable standards issued by the institute of Company Secretaries of India. The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

PREVENTION OF INSIDER TRADING

The Company has adopted the Code of conduct for prevention of Insider Trading with view to regulate trading in securities by Directors and designated employees of the Company. The Code of conduct require pre-disclosure for dealing in Company's Shares and prohibit the purchase or sale of Company's 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 window is closed. The Board is responsible for implementation of the code. All Board of Directors and the designated employees have confirmed the compliance of 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.

DIRECTORS AND KMP

Mr. Nitin Agrawal (DIN – 08186528) who is retiring by rotation at this Annual General Meeting is to be re-appointed. His involvement with the affairs of the Company is beneficial to the Company as well as Stakeholders.

PERFORMANCE EVALUATION

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration Committee to formulate the process of evaluating the performance of Individual Directors, Committees of the Board and the Board as whole.

The Nomination and Remuneration Committee of the Company also evaluated the performance of all individual Directors on various parameters such as level of participation of Directors, preparing themselves well in advance to take active participation at the meeting(s), level of knowledge and expertise etc.

All the Independent Directors of the Company also had a separate meeting on 12th February, 2021 to review the performance and evaluation of Non-Independent Directors and Board as a whole.

The Board after taking into consideration the evaluation as done by Nomination and Remuneration Committee and by Independent Directors, carried out an annual evaluation of its own performance and that of its Committees and individual Director. The overall outcome of such evaluation is that the Board, its committees and individual Directors have performed effectively and satisfactorily

DECLARATION OF INDEPENDENT DIRECTOR

All the Independent Director have confirmed to the Board that they meet the criteria of Independence as specified under section 149(6) of the Companies Act, 2013 and they qualify to be an Independent Director pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors), Rule 2014. The Independent Directors have also confirmed that they meet the requirements of "Independent Director" as mentioned under Regulation 16(1)(b) of the Listing Regulations.



BOARD MEETINGS

During the year under review the Company held Five (5) meetings of the Board of Directors as per Section 173 of Companies Act, 2013 on 31st July 2020, 5th September 2020, 15th September 2020, 11th November 2020 and 12th February 2021

The frequency of board meetings and quorum at such meetings were in accordance with the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and compliances of Secretarial Standards-1 (SS1) on Meeting of the Board of Directors issued by ICSI. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013, the Listing Regulations and SS-1.

BOARD COMMITTEE – AUDIT COMMITTEE

The Audit Committee is constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. Members of the Audit Committee possess financial / accounting expertise / exposure. Further, all the recommendations made by the Audit Committee were duly accepted by the Board of Directors. The Company Secretary is acting as Secretary of this Committee. The Managing Director and CFO are the permanent invitee to Audit Committee to give clarification on accounts and other related issues.

The Composition of Audit Committee as on 31.03.2021 are as under :

Sr. No.	Name of the Director	Position	Category
1	Smt. Rajshree Tapuriah	Chairman	Independent Director
2	Shri. Ramdas Bhattar	Member	Independent Director
3	Shri. Nitin Agrawal	Member	Managing Director

Four meetings of the Audit Committee were held during the financial year 2020-21 on 31st July 2020, 15th September, 2020, 11th November 2020 and 12th February 2021. The accounts and financial positions were perused by the Audit Committee and thereafter placed before the Board for their consideration.

BOARD COMMITTEE – NOMINATION AND REMUNERATION

The Nomination and Remuneration Committee is constituted pursuant to the provisions of of Section 178 of the Companies Act, 2013. Members of the Nomination and Remuneration Committee possess sound expertise / knowledge / exposure. The Company Secretary of the Company is the Secretary of this committee.

The Composition of Nomination and Remuneration Committee as on 31.03.2021 are as under:

Sr. No.	Name of the Director	Position	Category
1	Smt. Rajshree Tapuriah	Member	Independent Director
2	Shri. Ramdas Bhattar	Member	Independent Director
3	Shri. G. M. Loyalka	Chairman	Non-Executive Director



Three meetings of the Nomination and Remuneration Committee were held during the financial year 2020-21 on 5th September, 2020 and 15th September, 2020

AUDITORS:

M/s Kamavat & Co., Chartered Accountants, (Firm Registration Number: 104863W) were appointed as Statutory Auditors of the Company for the term of 5 years at the 34th Annual General Meeting of the company held on 26th September, 2017, from conclusion of the said meeting until the conclusion of 38th Annual General Meeting to be held in the year 2022

As per the provisions of Section 139 of the Act, they have confirmed that they are not disqualified from continuing as Statutory Auditor of the Company.

AUDITORS REPORT

The observation of the Auditors in their report read with relevant notes on the accounts, as annexed are self-explanatory and do not call for any further explanation under section 134(3)(f)(i) of the Companies Act, 2013.

SECRETARIAL AUDITOR

Pursuant to the provisions of section 204 of the Companies Act, 2013 and Rules made thereunder, the Company has appointed M/s Girish Murarka & Co., Company Secretaries in Practice having membership No. 7036 to undertake Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2020-21 as issued by him in the prescribed Form MR-3 is annexed to this Report as Annexure 5. The said Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by Secretarial Auditor.

INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the rules made thereunder the Board of Directors had approved the appointment of M/s Millind P. Shah, Chartered Accountants, as "Internal Auditor" of the company for conducting Internal Audit for the financial year 2020-21. The Internal Audit Reports for each quarter were received by the Company and the same were reviewed by the Audit Committee and Board of Directors.

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.




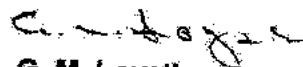
- There were no material changes and commitments affecting the financial position of your Company between the end of the financial year and the date of this report.
- There was no revision in the financial statements.
- Your Company has not received any complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

APPRECIATION

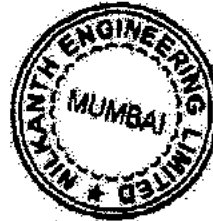
Your Directors express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments for their co-operation and unstinted support received from them during the year and look forward to their continued support in future.

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


Nitin Agrawal
Managing Director
(DIN: 08186528)


G. M. Loyalka
Director
(DIN: 00299416)

Place: Mumbai
Date : 29.06.2021



Annexure 1

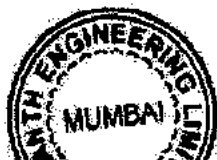
**Statement containing salient features of the financial statement of subsidiaries/
associate companies/ joint ventures**

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	Rs. in Lakhs		
	Jatayu Textiles & Industries Limited	Qairis Online Private Limited	Sushree Trading Limited
1. Latest audited Balance Sheet Date	31.03.2021	31.03.2021	31.03.2021
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	183.71	0.30	154.42
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. Net worth attributable to Shareholding as per latest audited Balance Sheet	5,008.27	563.05	6,485.23
7. Profit / Loss for the year			
i. Considered in Consolidation	(390.40)	(0.02)	881.05
ii. Not Considered in Consolidation	-	-	-

The following information shall be furnished:-

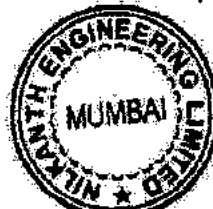
- Names of associates or joint ventures which are yet to commence operations: Nil
- Names of associates or joint ventures which have been liquidated or sold during the year: Nil

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

Nishu Agrawal
Nishu Agrawal
Managing Director
(DIN: 08186528)

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

Place: Mumbai
Date : 29.06.2021



PARTICULARS OF EMPLOYEES

PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

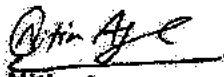
S. No	Requirement of Rule 5(1)	Details
1.	The ratio of the remuneration of each Director to the median employees of the company for the financial year.	Remuneration is paid to only One Director who is Managing Director
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary, Chief Executive Officer or Manager, if any, in the Financial Year	No changes during the Year in remuneration of CFO, Company Secretary, Chief Executive Officer or Manager
3.	The percentage increase in the median remuneration of the employees in the Financial Year	NA
4.	The number of the permanent employee on the roll of the company	1
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the % increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	<p>Average salary increase of non- managerial employees is: NA</p> <p>Average salary increase of managerial employees is : NA</p> <p>The average increase in remuneration of all employees are decided based on the company's policy, individual's performance, inflation and prevailing industry trend.</p>
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes




DETAILS OF TOP 10 EMPLOYEES

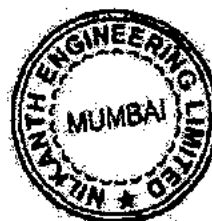
Name	Shruti Didwania
Designation	Company Secretary and Compliance Officer
Remuneration Paid	2,70,000
Nature of Employment (contractual or otherwise)	Contractual
Qualification	Professional
Experience	5 years
Age	41 years
Last Employment before joining the company	Akarshak Synthetics Limited
Relation to any director (if any)	NO
Date of commencement of employment	17.01.2020

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


Nitin Agrawal
Managing Director
(DIN: 08186528)


G. M. Loyalka
Director
(DIN: 00299416)

Place: Mumbai
Date : 29.06.2021



NILKANTH ENGINEERING LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

The Financial year 2020-21 had been quite a challenging year for the Indian economy and particularly for the financial services sector. The continued uncertainties, volatile credit environment and slow economic growth created headwinds. The ongoing COVID-19 pandemic and subsequent lockdowns have impacted the businesses and aggravated the prevailing sectorial challenges.

Over the course of last year, vaccination drive raised hopes, whereas renewed waves and new virus variant continue to pose concern for the outlook. The continued spread of the COVID-19 pandemic and subsequent synchronized lockdown across major cities in India resulted in shrinking of the capital market lending business

Opportunities and Threats

NBFCs have played an important role by providing funding to the unbanked sector by catering to the diverse financial needs of the customers. Further, such companies play a critical role in participating in the development of an economy by providing a fillip to transportation, employment generation, wealth creation, bank credit in rural segments and to support financially weaker sections of the society.

The second wave of COVID-19 and its potential impact has now raised questions on the economic growth and credit off take in India. Imposition of sudden lock downs / delay in vaccination program, could result in a deeper economic recession in near future posing threats for our lending business.

Segment-wise-Performance

Your Company operates only single segment which is making long term investment and letting out of the immovable property).

Future Outlook

Timely execution of Covid-19 vaccination drive, reasonable rebound in economic were indicators to pre-covid levels, unprecedented measures taken by nations across world to restore coronavirus-affected economy, improved corporate earnings have lead the markets scale new highs. The progression curve is expected to resume with public policy support and private participation. Reform measures have been made by RBI to ease out liquidity in the markets and to encourage credit inflows via NBFC, HFC, MFIs. The Company has taken into consideration the changes in the capital market and brokerage segment and is well prepared to overcome challenges and perform sustainably

Risk and concerns

Tough competition, slow economic growth, rapid changing statues and regulatory framework, etc. are the major risk areas in the Company's business. By using our experience, we hope to perform better in the year to come in spite of these risks.



Internal Control System & their adequacy

The Company had adequate internal control system commensurate with its size and nature of business. Your company's internal control procedures are adequate to ensure compliance with various policies, practices and statutes.

Financial & Operational Performance

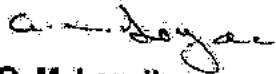
The Company has adopted IND AS for reporting financial results for the year under review. During the year under review, the Company's netted off loss of Rs. 78,14,349/- before tax (Previous Year Net Loss of Rs. 91,58,202/-) and net Comprehensive Income for the year after tax was at Rs. 4,39,04,916/- (Previous year the total Comprehensive Loss of Rs. 1,15,41,45,897/-)

Human Resources and Industrial Relations

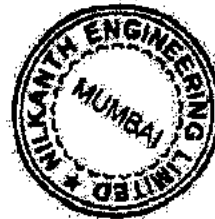
The Company recognizes the importance of Human Resource as a key asset instrumental in its growth. The Company has well developed management information system giving daily, monthly and periodical information to the different levels of management. Such reports are being analyzed and effective steps are taken to control the efficiency, utilization, productivity and quality in the Company.

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


Nitin Agrawal
Managing Director
(DIN: 08186528)


G. M. Loyalka
Director
(DIN: 00299416)

Place: Mumbai
Date : 29.06.2021



COMPLIANCE CERTIFICATE
[Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements)
Regulations, 2015

The Board of Directors
NILKANTH ENGINEERING LIMITED

We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief certify that:

1. We have reviewed the financial statement and Cash Flow Statement both on standalone and consolidated basis for the year ended on 31.03.2021 and to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material facts or contain any statement that might be misleading.
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standard, applicable laws and regulations.
2. We are to the best of their knowledge and belief, no transaction entered into by the Company during year ended 31st March, 2021 which are fraudulent, illegal or violating of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any of which we are aware and the steps have been taken or proposed to take to rectify these deficiencies.
4. We have indicated to the Auditors and Audit Committee that there is no:
 - a) significant changes in the internal controls over financial reporting
 - b) significant change in accounting policies and the same have been disclosed in the notes to the financial statements and
 - c) instances of significant fraud of which we have become and the involvement therein, if any, of the management or employee having a significant role in the Company's internal control system over financial reporting.

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


Nitin Agrawal
Managing Director
(DIN: 08186528)


G. M. Loyalka
Director
(DIN: 00299416)

Place: Mumbai
Date : 29.06.2021

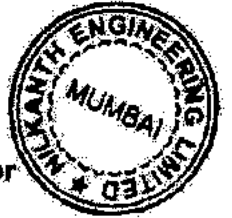


DECLARATION

The Board of Directors and Senior Management Personnel have affirmed their compliance of Code of Conduct for Members of the Board and Senior Management for the year 2020-21 in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Place : Mumbai
Date : 29.06.2021


Nitin Agrawal
Managing Director
(DIN: 08186528)



GIRISH MURARKA & CO.

Company Secretaries

Ground Floor, Wing "A", Flat No. 001, Bharateeya Kala Mandal C/2, Co-op. Hsg. Soc. Ltd.
Om Nagar, Andheri (East), Mumbai 400 099

Phone (O) : 2839 2294

Email : girishmurarka@gmail.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel), Rules 2014]

To,
The Members
NILKANTH ENGINEERING LIMITED
407, Kalbadevi Road,
3rd Floor, Daulat Bhavan
Mumbai 400 002

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to corporate practices by **NILKANTH ENGINEERING LIMITED** (herein after called "the Company") for the audit period covering the financial year ended on 31st March, 2021. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, generally 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 reporting made hereinafter :

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in the Annexure I, for the financial year ended on March 31, 2021, according to the provisions (to the extent applicable) of :
 - i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
 - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder applicable to the extent of receipt of funds on non-repatriation basis from foreign investor; (Not Applicable to the Company during the Audit Period)

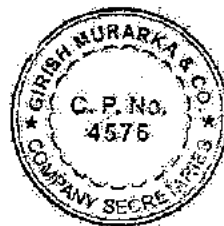


- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable to the Company during the Audit Period)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)** and
 - f) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. **(Not Applicable to the Company during the Audit Period)**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(not applicable to the Company during audit period)** and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(not applicable to the Company during audit period)**.
 - i) The examination of compliance of the provisions of other special applicable laws was limited to the verification of procedure on test basis.

I 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 Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. mentioned above.



I further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There are no changes in the composition of the Board of Directors during the period under review.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standard etc. referred to above.



GIRISH MURARKA
Proprietor
Girish Murarka & Co.
ACS No. 703B
CP No. 4576



Place: Mumbai
Date : 30.07.2021
UDIN : A00736C000711707

GIRISH MURARKA & CO.

Company Secretaries

Ground Floor, Wing "A", Flat No. 001, Bharateeya Kala Mandal C/2, Co-op. Hsg. Soc. Ltd.
Om Nagar, Andheri (East), Mumbai 400 099

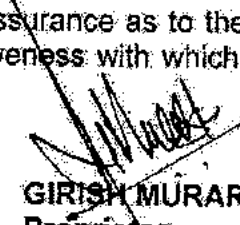
Phone (O) : 2839 2294

Email : girishmurarka@gmail.com

To,
The Members
NILKANTH ENGINEERING LIMITED
407, Kalbadevi Road,
3rd Floor, Daulat Bhavan
Mumbai 400 002

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record 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 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations 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 procedures 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.


GIRISH MURARKA
Proprietor
Girish Murarka & Co.
ACS No. 7036
CP No. 4576



Place: Mumbai
Date : 30.07.2021
UDIN : A00736C000711707

ANNEXURE – I

List of documents verified:

1. Memorandum & Articles of Association of the Company
2. Annual Report for the financial year ended March 31, 2019 and March 31, 2020
3. Minutes of meeting of Board of Directors, Audit Committee, Nomination & Remuneration Committee along with attendance register held during the financial year under report
4. Minutes of General Body Meeting held during the financial year under report
5. Statutory Registers
6. Agenda papers provided to all the Directors / Members for the Board Meeting and Committee Meeting
7. Declaration received from Directors of the Company pursuant to the provisions of section 184 of the Companies Act, 2013

E-forms filed by the Company, from time to time, under the applicable provisions of the Companies Act, 1956/ 2013 and attachments thereof during the financial year under report.



UDIN : 21137686AAAAGP6098

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
NILKANTH ENGINEERING LIMITED**

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **NILKANTH ENGINEERING LIMITED** (hereinafter referred to as "the Company"), which comprise the Standalone Balance Sheet as at March 31, 2021, and the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (collectively referred to as 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note No.35 to the Standalone Financial Statement for the year ended March 31, 2021, which describes the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company. In view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our conclusion is not modified in respect of this matter.



(Cont..2)

Key Audit Matters

Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2021. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

Sr. No.	Key Audit Matter	Our Response
1	<p>Defined benefit obligation The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation.</p>	<p>We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit.</p> <p>We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.</p>
2	<p>Modified Audit Procedures carried out in light of COVID-19 outbreak:</p> <p>Due to COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central/ State Government/ Local Authorities during the period of our audit to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of the Company.</p>	<p>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Company's Office and carry out the audit processes physically.</p> <p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us through digital medium and emails. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p>



	<p>As we could not gather audit evidence in person/physically/through discussions and personal interactions with the officials at the Company's Office, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely.</p>	<p>Accordingly, we modified our audit procedures as follows:</p> <ol style="list-style-type: none"> a. Conducted verification of necessary records/ documents through emails wherever physical access was not possible. b. Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails. c. Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels. d. Resolution of our audit observations telephonically/through email instead of a face-to-face interaction with the designated officials.
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Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and Changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting



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policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



(Cont..5)

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

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Act 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, to the extent applicable
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;



* 6 *

- 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;
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
- d) In our opinion the aforesaid Standalone 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 as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- g) 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.
- h) 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.

Place : Mumbai
Dated : June 29, 2021



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

Viral Joshi, R.
(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, 2021. 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 Property, Plant & Equipments (Note No. 3 to the Standalone 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 provided any guarantee or security to the parties covered under Section 185. Further, the Company has complied with provisions of Section 186 in respect of grant of loans and making investments as applicable.
- 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. According to the information and explanations given to us, the Company does not require maintaining cost records as prescribed by the Central Government under sub-section (1) of Section 148 of the Act.



(Cont...2)

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- 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, GST, duty of customs or cess and other statutory dues applicable to it. No undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, GST, duty of customs or cess and other statutory dues were outstanding, as at 31-03-2021, 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, GST, duty of customs 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. In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the 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 Standalone 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.
- 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.



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xvi. Pursuant to the RBI letter having ref. 1287/14/12-14-023/2018-19 dated 17.03.2020, the Company, vide its reply letter dated 12.08.2020, has surrendered its Original Certificate of Registration issued by the RBI stating that the principal business of the Company is no longer that of a NBFC. Hence, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and provisions of Clause 3(xvi) of the Order are not applicable to the Company

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



Viral Joshi

(Viral Joshi)
Partner
Membership No. 137686

Place : Mumbai
Dated : June 29, 2021

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

The Annexure referred to in paragraph 2(g) 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, 2021.

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, 2021 in conjunction with our audit of the Standalone 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 Standalone Financial Statements, whether due to fraud or error.

(Cont...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 Standalone 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 Standalone 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 Standalone 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, 2021, 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.



Place : Mumbai
Dated : June 29, 2021

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

Viral Joshi
(Viral Joshi)
Partner
Membership No. 137686

NILKANTH ENGINEERING LIMITED
CIN: L27300MH1983PLC029360
Standalone Balance Sheet as at 31st March, 2021

Particulars	Notes	As at 31 March, 2021 (₹)	As at 31 March, 2020 (₹)
ASSETS			
1. Non-Current Assets			
(a) Property, plant and equipment	3	7,10,15,114	7,80,33,248
(b) Financial Assets			
i) Investments	4	6,25,52,622	5,99,43,372
ii) Other Financial Assets	5	8,30,808	8,08,251
Total Non-Current Assets		13,43,98,544	13,87,84,871
2. Current Assets			
(a) Financial Assets			
i) Cash and Cash Equivalents	6	30,53,414	18,51,971
(b) Other Current Assets	7	77,686	54,528
(c) Current Tax Assets (Net)	8	22,65,476	43,13,397
Total Current Assets		53,96,576	62,19,896
Total Assets		13,97,95,120	14,50,04,767
EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share Capital	9	1,24,50,000	1,24,50,000
(b) Other equity	10	(2,32,88,009)	(1,81,29,803)
		(1,08,38,009)	(56,79,803)
2. Liabilities			
Non-Current Liabilities			
(a) Provisions	11	4,21,933	3,26,875
3. Current Liabilities			
(a) Financial Liabilities			
i) Other Financial Liabilities	12	15,00,00,000	15,00,00,000
(b) Other Current Liabilities	13	2,09,830	3,56,637
(c) Provisions	14	1,366	1,058
		15,06,33,129	15,06,84,570
Total Equity and Liabilities		13,97,95,120	14,50,04,767

Summary of significant accounting policies 1 & 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

(Viraj Joshi)
Partner
Membership No: 137686

Place : Mumbai
Date: June 29, 2021
UDIN : 21137686AAAAGP6098



For and on behalf of the Board of Directors

(G.M. Loyalka)
Director
DIN: 00299416

(Nitin Agarwal)
Managing Director
DIN: 08186528

(Shruti Didwania)
Company Secretary

(Anil Londhe)
Chief Financial Officer

Standalone Statement of Profit and Loss for the year ended 31st March, 2021

Particulars	Notes	2020-21 (₹)	2019-20 (₹)
I. Income			
Other Income	15	15,94,640	17,61,415
Total Income		15,94,640	17,61,415
II. Expenses			
Employee Benefit Expenses	16	13,62,659	10,82,752
Finance Costs	17	-	1,40,274
Depreciation and Amortization Expenses	18	70,60,134	87,29,657
Other Expenses	19	9,86,196	9,66,934
Total Expenses		94,08,989	1,09,19,617
III. Profit/(Loss) Before Tax(III-IV)			
		(78,14,349)	(91,58,202)
IV. Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
Excess/(Short) Provision of Earlier Years		-	(26,818)
V. Net Profit After Tax			
		(78,14,349)	(91,85,020)
VI. Other Comprehensive Income (OCI)			
Other Comprehensive Income not to be reclassified to profit and loss in subsequent periods			
Actuarial Gain/(Loss)		46,893	(2,85,431)
Net Gain/(Loss) on FVTOCI Investments		26,09,250	(25,06,350)
Total Other Comprehensive Income		26,56,143	(27,91,781)
VII. Total Comprehensive Income for the year			
		(51,58,206)	(1,18,76,801)
VIII. Basic and Diluted Earnings per share (Face value ₹ 10 each)			
	26	(6.28)	(7.38)

Summary of significant accounting policies 1 & 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

Joshi. Viral. R.
(Viral Joshi)
Partner
Membership No: 137686

Place : Mumbai
Date: June 29, 2021
UDIN : 21137686AAAAGP6098



For and on behalf of the Board of Directors

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

Shruti
(Shruti Dwania)
Company Secretary

Nitin Agarwal
(Nitin Agarwal)
Managing Director
DIN: 08186528

Anil Londhe
(Anil Londhe)
Chief Financial Officer



NILKANTH ENGINEERING LIMITED
CIN : L27300MH1983PLC029360
Standalone Cash Flow Statement for the year ended 31st March, 2021

Particulars	Year Ended	
	2020-21 (₹)	2019-20 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation and extraordinary items	(78,14,349)	(91,58,202)
Adjustments for:		
Depreciation and amortisation expense	70,60,134	87,29,657
Provision for Expenses	2,10,138	6,84,570
Prepaid Expenses	77,686	54,528
(Profit)/Loss on Sale of Investments	(14,940)	(73,036)
Interest Expense	-	1,40,274
Dividend Income	-	(17,61,415)
Operating Profit before working capital changes	(4,81,331)	(13,83,624)
Increase/(Decrease) in Sundry Payables & Other Liabilities	(2,14,686)	(4,20,820)
(Increase)/Decrease in Trade & Other Receivables	18,16,520	33,75,033
(Increase)/Decrease in Inventories	-	-
Cash generated from operations	11,20,503	15,70,589
Less: Direct Taxes paid	(1,08,000)	1,33,200
Net Cash Flow from operating activities before extraordinary items	12,28,503	14,37,389
Adjustments for Prior Period items	-	-
Net Cash Flow from operating activities	(A) 12,28,503	14,37,389
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of investments (net)	14,940	4,76,569
Purchase of Property, Plant and Equipment	(42,000)	(94,400)
Dividend Income	-	17,61,415
Net Cash from/(used) in Investing activities	(B) (27,060)	21,43,584
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Loan Taken / (Repaid)	-	(32,00,000)
Interest Paid	-	(1,40,274)
Net Cash from/(used) in financing activities	(C) -	(33,40,274)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	12,01,443	2,40,699
Cash & Cash Equivalents as at beginning of period	18,51,971	16,11,272
Cash & Cash Equivalents as at end of period	30,53,414	18,51,971

1. Cash and cash equivalents included in the Statement of cash flows comprise the following :

	2020-21 (₹)	2019-20 (₹)
Cash on hand	1,050	3,304
Balance in current account	30,52,364	18,48,667
Cash and cash equivalents as restated	30,53,414	18,51,971

- Direct Tax paid are treated as arising from operating activity and not bifurcated in investment and financing activities.
- Figures of the previous year have been re-grouped and re-classified wherever necessary to correspond with the figures of the current year.
- Figures in brackets represent outflows.

As per our report of even date attached

KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

Viral Joshi
(Viral Joshi)
Partner
Membership No: 137686

Place : Mumbai
Date : June 29, 2021
UDIN : 21137686AAAAGP6098



For and on behalf of the Board of Directors

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

Nitin Agarwal
(Nitin Agarwal)
Managing Director
DIN: 08186528

Shruti Didwania
(Shruti Didwania)
Company Secretary

Anil Londhe
(Anil Londhe)
Chief Financial Officer

NILKANTH ENGINEERING LIMITED
CIN: L27300MH1983PLC029360

Notes to Standalone Financial Statements for the year ended March 31, 2021

These notes form an integral part of and should be read in conjunction with the accompanying standalone financial statements.

1. Background

Nilkanth Engineering Limited ("the Company") is domiciled in India and is incorporated under the provisions of the Companies Act, 1956 having Corporate Identity Number L27300MH1983PLC029360. Its shares are listed on Bombay Stock Exchange in India. The Company is engaged in the activity of financial planning, renting and related activities.

2. Significant Accounting Policies

i) Overall consideration

The principal business of the Company has ceased to be that of a NBFC in terms of Press Release No. 1998-99/1269 dated 08.04.1999 issued by the RBI. Hence, as desired by RBI, the Company has surrendered its Original Certificate of Registration issued by the RBI and that the principal business of the Company is no longer that of a NBFC. Accordingly, these standalone financial statements are presented as per the format applicable to Non-NBFC Companies.

The standalone financial statements have been prepared using the significant accounting policies and measurement basis summarised below.

ii) Statement of Compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

iii) Basis of preparation

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone financial statements are presented in Indian National Rupees (INR) and all values are rounded to the nearest rupees, except when otherwise indicated.

iv) Use of Estimates

The preparation of the standalone financial statements in conformity with IndAS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the standalone financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances



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Notes to Standalone Financial Statements for the year ended March 31, 2021

surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

v) Applicability of new and revised Ind AS:

a) New amended standards and interpretation

- i. Ind AS 1 Presentation of Standalone Financial Statements - Substitution of the definition of term 'Material'.
- ii. Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.
- iii. Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.
- iv. Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.
- v. Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.
- vi. Ind AS 103 Business Combination - Detailed guidance on term 'Business' and 'Business Combination' along with providing an Optional test to identify concentration of Fair Value.
- vii. Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.
- viii. Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.
- ix. Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID- 19 pandemic can be accounted as lease modification or not.

None of the amendments has any material impact on the standalone financial statements for the current year.

b) New standards notified and yet to be adopted by the Company - None

vi) Current / non-current classification

Assets and liabilities in the balance sheet are classified into current/ non-current. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:



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Notes to Standalone Financial Statements for the year ended March 31, 2021

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

As the Company's normal operating cycle is not clearly identifiable due to the varying nature of each project, the normal operating cycle has been assumed to be twelve months.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

vii) Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and that revenue can be reliably measured, regardless of when the payments is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding duties and taxes collected on behalf of the Government.

The Company follows the prudential norms for income recognition and provides for /writes off Non-Performing Assets as per the prudential norms prescribed by the Reserve Bank of India or earlier as ascertained by the management.

a. Dividend Income

Income is recognized as and when the Company's rights to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

In case of interim dividend, the right to receive the payment is established, when the dividend gets approved by the Board of Directors.

In case of final dividend, the right to receive the payment is established, when the dividend gets approved by the shareholder's in the annual general meeting.

b. Interest Income

For all the debt instruments measured at amortized cost, interest income is recorded using effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to amortised cost of financial liability. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider expected credit losses.



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Notes to Standalone Financial Statements for the year ended March 31, 2021

c. Other Operational Revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

viii) Property, plant and equipment

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Costs also include borrowing costs for qualifying assets capitalised in accordance with the Company's accounting policy.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation is recognised using Written Down Value method so as to write off the cost of the assets (other than freehold land) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset.

Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted, if appropriate.

ix) Leased assets

A right-of-use asset representing the right to use the underlying asset and a lease liability representing the obligation to make lease payments is recognized for all leases over 1 year on initial recognition basis. Discounted committed & expected future cash flows recognised as right-of-use asset and lease liability and depreciation on the asset portion on straight-line basis & interest on liability portion (net of lease payments) on EIR basis is recognized over the expected lease term. No right-of-use asset is created for short term leases (i.e. lease term less than 1 year) and leases of low value items (i.e. lease of asset with original cost of less than Rs.1 lakh).



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Notes to Standalone Financial Statements for the year ended March 31, 2021

x) Impairment testing of assets

The Company reviews the carrying values of assets for any possible impairment at each balance sheet date. An impairment loss is recognized in the statement of profit and loss when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the assets net of selling price or value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on appropriate discount rate. If at the balance sheet date there is any indication that a previously assessed impaired loss no longer exists then such loss is reversed and the asset is restated to that extent.

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Cash-generating units (determined by the Company's management as equivalent to its operating segments) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

xi) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Classification of Financial Instruments

At initial measurement, the Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost;
2. Financial assets to be measured at fair value through other comprehensive income;
3. Financial assets to be measured at fair value through profit or loss account.

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.



Notes to Standalone Financial Statements for the year ended March 31, 2021

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the statement of Profit and Loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

b. Financial Assets

i. Initial recognition and measurement

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also considered.

ii. Investments in associates

The Company measures investments in Equity instruments of associates at cost.

iii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- (a) Debt instruments at amortised cost.
- (b) Debt instruments and investment in Preference Shares at fair value through profit or loss (FVTPL).
- (c) Equity instruments measured at fair value through other comprehensive income (FVTOCI).

(a) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and



Notes to Standalone Financial Statements for the year ended March 31, 2021

ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the profit or loss.

(b) Debt instruments and investment in Preference Shares at fair value through profit or loss (FVTPL)

A debt instrument shall be measured at fair value through profit and loss (FVTPL) unless it is measured at amortised cost or at fair value through other comprehensive income, which generally occurs when the SPPI criterion is not met by the debt instrument.

(c) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

For all equity instruments other than the ones classified as at FVTPL, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

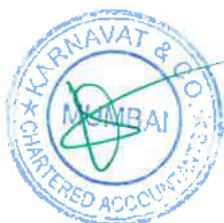
If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company transfers the cumulative gain or loss within equity.

iv. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when the rights to receive cash flows from the asset have expired.

v. Impairment

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS 115. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.



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The Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses.

No Expected credit losses are recognised on equity investments.

c. Financial Liabilities

i. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, financial guarantee, contract payables, or derivative instruments.

ii. Subsequent measurement

(a) Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risk are recognized in OCI. These gains / losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

(b) Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method.

Amortized cost is calculated by taking into account any discount or premium and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss. Any difference between the proceeds (net of transactions costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.



Notes to Standalone Financial Statements for the year ended March 31, 2021

iii. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

d. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

xii) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

xiii) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.



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Notes to Standalone Financial Statements for the year ended March 31, 2021

xiv) Income taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Provision for current income tax is made on the basis of the assessable income under the Income tax Act, 1961.

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

xv) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

xvi) Equity, reserves and dividend payments

Share capital represents the nominal (par) value of shares that have been issued. Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits. Other components of equity include the following:

- Re-measurement of net defined benefit liability – comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets.
- Reserves for financial instruments measured at FVOCI.
- Retained earnings includes all current and prior period retained profits.

xvii) Post-employment benefits and long/short-term employee benefits



Notes to Standalone Financial Statements for the year ended March 31, 2021

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of:

- (a) when the plan amendment or curtailment occurs; and
- (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and deductions in future contributions to the scheme.

The Company provides benefits such as gratuity to its employees which are treated as defined benefit plans.

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

The Company provides benefits such as superannuation, provident fund to its employees which are treated as defined contribution plans.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

xviii) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a realisable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost.



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Notes to Standalone Financial Statements for the year ended March 31, 2021

xix) Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss, over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalization of such asset is added to the cost of the assets.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

xx) Contingent liabilities and Contingent assets

Contingent Liabilities are not recognised but are disclosed in notes in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are disclosed in the standalone financial statements by way of notes to accounts, when an inflow of economic benefits is probable.

xxi) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the Year attributable to equity shareholders by the weighted average number of equity shares outstanding during the Year. For the purpose of calculating diluted earnings per share, the net profit or loss for the Year attributable to equity shareholders and the weighted average number of shares outstanding during the Year is adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

xxii) Significant accounting judgements, estimates and assumptions

When preparing the standalone financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the standalone financial statements.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Lease term of right-of-use assets



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Notes to Standalone Financial Statements for the year ended March 31, 2021

Management reviews its estimate of the lease term of right-of-use assets at each reporting date, based on the expected utility of the leased property. Uncertainties in this estimate relate to business obsolescence/discontinuance that may change the lease term for certain right-of-use assets.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

xxiii) Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose standalone financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company,



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Notes to Standalone Financial Statements for the year ended March 31, 2021

loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



NILKANTH ENGINEERING LIMITED
Notes to the Standalone Financial Statements (Continued)
for the year ended 31st March, 2021

3. Property, Plant & Equipments

Particulars	Gross Block			Depreciation and Amortisation			Net Block	
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	For the Year	Deductions	As at March 31, 2021	As at March 31, 2020
Buildings	7,80,26,347	-	-	7,80,26,347	30,44,393	-	1,83,83,803	5,96,42,544
Plant & Machinery	30,70,732	-	-	30,70,732	2,42,004	-	19,72,347	10,98,385
Furniture & Fittings	4,38,82,140	-	-	4,38,82,140	34,21,384	-	3,40,44,917	98,37,223
Computers	1,40,490	42,000	-	1,82,490	23,821	-	1,47,742	34,748
Office Equipments	81,27,443	-	-	81,27,443	3,28,532	-	77,25,229	4,02,214
Total	13,32,47,152	42,000	-	13,32,89,152	70,60,134	-	6,22,74,038	7,10,15,114
								7,80,33,248



NILKANTH ENGINEERING LIMITED
Notes to the Standalone Financial Statements (Continued)
for the year ended 31st March, 2021

Note 4 : INVESTMENTS

Particulars	Face Value	Number	As at 31 March, 2021 (₹)	As at 31 March, 2020 (₹)
Investments at Fair Value through OCI (FVTOCI)				
I) Quoted Equity Shares not held for trade				
Jay Shree Tea & Industries Limited (31st March, 2020 : 73,500)	5	73,500	48,65,700	22,56,450
Mansoon Trading Company Limited (31st March, 2020 : 1,22,200)	10	1,22,200	2,81,060	2,81,060
Meenakshi Steel Industries Limited (31st March, 2020 : 90,000)	10	90,000	2,02,500	2,02,500
			<u>53,49,260</u>	<u>27,40,010</u>
II) Unquoted Equity Shares not held for trade				
In Associate Companies				
Jatayu Textiles & Industries Limited (31st March, 2020 : 5,73,900)	10	5,73,900	1,83,70,553	1,83,70,553
Osiris Online Private Limited (31st March, 2020 : 3,000)	10	3,000	30,075	30,075
Sushree Trading Limited (31st March, 2020 : 5,28,250)	10	5,28,250	1,54,41,534	1,54,41,534
In Other Companies				
Aakarshak Synthetics Limited (31st March, 2020 : 17,11,000)	10	17,11,000	1,61,51,200	1,61,51,200
Manav Investment & Trading Company Limited (31st March, 2020 : 2,67,300)	100	2,67,300	-	-
Rutgers Investment & Trading Company Private Limited (31st March, 2020 : 72,000)	100	72,000	72,10,000	72,10,000
			<u>5,72,03,362</u>	<u>5,72,03,362</u>
Total			<u>6,26,52,622</u>	<u>5,99,43,372</u>
Aggregate value of quoted investments			53,49,260	27,40,010
Aggregate value of unquoted Investments			5,72,03,362	5,72,03,362



NILKANTH ENGINEERING LIMITED
Notes to the Standalone Financial Statements (Continued)
for the year ended 31st March, 2021

	As at 31 March, 2021 (₹)	As at 31 March, 2020 (₹)
Note 5 : OTHER FINANCIAL ASSETS		
Deposits	4,20,200	4,20,200
Advances recoverable in cash or kind	4,10,608	3,88,051
Total	8,30,808	8,08,251
Note 6 : CASH AND CASH EQUIVALENTS		
Cash in hand	1,050	3,304
Balances with Banks in		
- Current Accounts	30,52,364	18,48,667
Total	30,53,414	18,51,971
Note 7 : OTHER CURRENT ASSETS		
Prepaid Expenses	77,686	54,528
Total	77,686	54,528
Note 8 : CURRENT TAX ASSETS (NET)		
Advance Income Taxes (Net of Provision for taxation as on 31.03.2021 - Rs.2,00,000, 31 March, 2020- Rs. 2,00,000)	22,65,476	43,13,397
Total	22,65,476	43,13,397
Note 11 : NON CURRENT PROVISIONS		
Provision for Gratuity	4,21,933	3,26,875
Total	4,21,933	3,26,875
Note 12 : OTHER FINANCIAL LIABILITIES		
Security Deposit	15,00,00,000	15,00,00,000
Total	15,00,00,000	15,00,00,000
Note 13 : OTHER CURRENT LIABILITIES		
Expenses Payable	1,94,880	3,44,637
Other Payable	14,950	12,000
Total	2,09,830	3,56,637
Note 14 : CURRENT PROVISIONS		
Provision for Gratuity	1,366	1,058
Total	1,366	1,058



NILKANTH ENGINEERING LIMITED
Notes to the Standalone Financial Statements (Continued)
for the year ended 31st March, 2021

Note 9 : SHARE CAPITAL

Particulars

	As at 31 March, 2021 (₹)	As at 31 March, 2020 (₹)
Authorised:		
12,50,000 (March 31, 2020: 12,50,000) Equity Shares, of Rs. 10 par value	1,25,00,000	1,25,00,000
Issued, Subscribed and Fully Paid up Shares	1,25,00,000	1,25,00,000
12,45,000 (March 31, 2020: 12,45,000) Equity Shares, of Rs. 10 par value	1,24,50,000	1,24,50,000
Total	1,24,50,000	1,24,50,000

A) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

Equity Share Description	As at 31st March, 2021		As at 31 March, 2020	
	Number	(₹)	Number	(₹)
Number of Shares outstanding at the beginning of the year	12,45,000	1,24,50,000	12,45,000	1,24,50,000
Number of Shares issued during the year	-	-	-	-
Number of Shares outstanding at the end of the year	<u>12,45,000</u>	<u>1,24,50,000</u>	<u>12,45,000</u>	<u>1,24,50,000</u>

Term/right 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.

Dividends, if any, is declared and paid in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. However, no dividend is / was declared on the equity shares for the year ended March 31 2021 / March 31, 2020.

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 in proportion to the number of equity shares held by the shareholders.

B) List of shareholder holding more than 5 % of the paid up Equity Share Capital

Name of Equity Share Holder	31st March, 2021		31st March, 2020	
	Number	%	Number	%
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%



NILKANTH ENGINEERING LIMITED
Notes to the Standalone Financial Statements (Continued)
for the year ended 31st March, 2021

NOTE 10 : OTHER EQUITY

Particulars	As at 31 March, 2021 (₹)	As at 31 March, 2020 (₹)
(i) Retained Earnings		
Balance as per last Financial Statements	(2,68,38,869)	(1,76,53,849)
Profit/(Loss) for the year	(78,14,349)	(91,85,020)
Add: Transfer from Special Reserve	92,89,250	-
Total	(2,53,63,968)	(2,68,38,869)
(ii) Special Reserve		
Reserve Fund under RBI Act, 1934		
Balance as per last Financial Statements	92,89,250	92,89,250
Less: Transferred to Retained Earnings (Refer Note No.32)	(92,89,250)	-
	-	92,89,250
(iii) FVTOCI Reserves		
Balance as per last Financial Statements	(5,80,184)	22,11,597
Net Gain/(Loss) on FVTOCI Investments	26,09,250	(25,06,350)
Actuarial Gain/(Loss)	46,893	(2,85,431)
Tax effect on above	-	-
Total	20,75,959	(5,80,184)
	(2,32,88,009)	(1,81,29,803)

Notes:

Special Reserve : Special reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

FVTOCI Reserve : The Company has elected to recognise changes in the fair value of certain instruments in equity securities and debt instruments in Other Comprehensive Income. These changes are accumulated with the FVOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.



NILKANTH ENGINEERING LIMITED
Notes to the Standalone Financial Statements (Continued)
for the year ended 31st March, 2021

Particulars	2020-21 (₹)	2019-20 (₹)
Note 15 : OTHER INCOME		
Rent Received	14,40,000	13,32,000
Dividend Received	-	25,725
Interest on Income Tax Refund	1,39,700	2,88,654
Net Gain on Fair Value Changes	14,940	73,036
Miscellaneous Income	-	42,000
Total	15,94,640	17,61,415
Note 16 : EMPLOYEE BENEFIT EXPENSES		
Salaries, Bonus and Allowances	12,20,400	10,40,250
Gratuity	1,42,259	42,502
Total	13,62,659	10,82,752
Note 17 : FINANCE COSTS		
Interest on Inter Corporate Loan	-	1,40,274
Total	-	1,40,274
Note 18 : DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on Property, Plant & Equipments	70,60,134	87,29,657
Total	70,60,134	87,29,657
Note 19 : OTHER EXPENSES		
Advertisement expenses	25,485	18,047
Bank charges	887	670
Conveyance	3,912	20,054
Credit Information Membership Fees	-	5,900
Custodian / ISIN activation charges	21,240	21,240
Demat Account Charges	944	944
Electricity Charges	7,300	5,530
Filing Fees	3,000	10,800
General Expenses	16,193	10,719
Insurance Charges	90,264	70,068
Legal and Professional Charges	59,835	66,660
Listing Fees	3,54,000	3,54,000
Property Tax	1,02,094	1,02,094
Rent Paid	21,420	20,592
Repairs & Maintenance		
On Building	64,248	61,776
Telephone Expenses	13,594	17,479
Travelling Expenses	-	38,761
Payment to Auditor		
Audit Fees	1,50,000	1,00,000
Limited Review	15,000	15,000
Certification	6,000	5,000
Reimbursement of Tax	30,780	21,600
Total	9,86,196	9,66,934



20. Financial instrument and fair value measurement

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at 31st March, 2021	Carrying Amount				Fair Value			
	At Fair value through Profit & Loss	At Fair value through Other Comprehensive Income	Amortise Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and Cash Equivalents	-	-	30,53,414	30,53,414	-	-	30,53,414	30,53,414
Investments	-	2,87,10,460	3,38,42,162	6,25,52,622	53,49,260	-	5,72,03,362	6,25,52,622
Other Financial Assets	-	-	8,30,808	8,30,808	-	-	8,30,808	8,30,808
	-	2,87,10,460	3,77,28,384	6,64,36,844	53,49,260	-	6,10,87,584	6,64,36,844
Financial Liabilities								
Borrowings	-	-	-	-	-	-	-	-
Other Financial Liabilities	-	-	15,00,00,000	15,00,00,000	-	-	15,00,00,000	15,00,00,000
	-	-	15,00,00,000	15,00,00,000	-	-	15,00,00,000	15,00,00,000

As at 31st March, 2020	Carrying Amount				Fair Value			
	At Fair value through Profit & Loss	At Fair value through Other Comprehensive Income	Amortise Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and Cash Equivalents	-	-	18,51,971	18,51,971	-	-	18,51,971	18,51,971
Investments	-	2,61,01,210	3,38,42,162	5,99,43,372	27,40,010	-	5,72,03,362	5,99,43,372
Other Financial Assets	-	-	8,08,251	8,08,251	-	-	8,08,251	8,08,251
	-	2,61,01,210	3,63,02,384	6,26,03,584	27,40,010	-	5,98,63,584	6,26,03,584
Financial Liabilities								
Borrowings	-	-	-	-	-	-	-	-
Other Financial Liabilities	-	-	15,00,00,000	15,00,00,000	-	-	15,00,00,000	15,00,00,000
	-	-	15,00,00,000	15,00,00,000	-	-	15,00,00,000	15,00,00,000

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments and bonds which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



21 Capital Management:

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. Capital Management Policy, objectives and processes are under constant review by the Board.

22 Financial Risk Management Objectives and Policies:

The Company's principal financial liabilities comprise Security Deposits and Provisions. The Parent Company's financial assets include Investments and Cash and Cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.

Investments

The major investments of the Company is in the group companies which includes investment in an associate.

Cash and cash equivalent and Bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the fund are in Current Account and sometimes in invests in term deposits with banks.

2) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by term loans, inter-corporate deposit and investment in mutual funds.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

Particular	As at 31 March, 2021		
	Up to 12 months	More than 12 months	Total
Security Deposit	15,00,00,000	-	15,00,00,000

Particular	As at 31 March, 2020		
	Up to 12 months	More than 12 months	Total
Security Deposit	15,00,00,000	-	15,00,00,000

3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.



23 Income Taxes & Deferred Taxes (Ind AS - 12)

There are no Income Tax recognised during the financial year. Further, in absence of near probability of taxable profits in future periods, the Company has not recognised Deferred Taxes.

24 Gratuity and other post employment benefit plans (Ind AS - 19)**Defined Benefit Plans****Gratuity:**

The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company and is in accordance with the rules of the Company for payment of gratuity.

Inherent Risk:

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

Statement of Assets and Liabilities for Defined Benefit Obligation :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Gratuity and other post employment benefit plans		
(i) Change in present value of obligation		
PVO at the beginning of period	3,27,933	-
Interest cost	22,299	-
Current Service cost	1,19,960	42,502
Past Service Cost - (Non-Vested Benefits)	-	-
Past Service Cost - (Vested Benefits)	-	-
Benefit settled	-	-
Contribution by participants	-	-
Business Combinations	-	-
Curtailments	-	-
Settlements	-	-
Actuarial (gain)/ loss on obligation	(46,893)	2,85,431
PVO at the end of period	4,23,299	3,27,933
(ii) Changes in the fair value of plan assets		
Fair value of plan assets at beginning of period	-	-
Adjustment to Opening Balance	-	-
Expected return on plan assets excl. interest income	-	-
Interest Income	-	-
Contributions by Employer	-	-
Contributions by Employee	-	-
Benefits Paid	-	-
Fair value of plan assets at end of period	-	-
(iii) Amount to be recognised in Balance Sheet		
PVO at the end of period	4,23,299	3,27,933
Fair value of plan assets at end of year	-	-
Funded Status	(4,23,299)	(3,27,933)
Net Asset/(Liability) recognised in the Balance Sheet	(4,23,299)	(3,27,933)



(iv) Expenses recognised in Statement of Profit and Loss		
Current Service cost	1,19,960	42,502
Net Interest cost	22,299	-
Past Service Cost - (Non-Vested Benefits)	-	-
Past Service Cost - (Vested Benefits)	-	-
Curtailment Effect	-	-
Settlement Effect	-	-
Unrecognised Past Service Cost (Non-Vested Benefits)	-	-
Actuarial (gain)/ loss recognised for the period	(46,893)	2,85,431
Return on plan assets excl. net interest	-	-
Expenses recognised in the Statement of Profit & Loss	1,42,259	3,27,933
(v) Other Comprehensive Income (OCI)		
Actuarial (Gain)/Loss recognized for the period	(46,893)	2,85,431
Asset limit effect	-	-
Return on Plan Assets excl. net interest	-	-
Unrecognized Actuarial (Gain)/Loss from previous period	-	-
Total Actuarial (Gain)/Loss recognized in (OCI)	(46,893)	2,85,431
(vi) Movement in the liability recognised in Balance Sheet		
Liability at the beginning of the period	3,27,933	-
Adjustment to Opening Balance	-	-
Expenses	1,42,259	42,502
Contribution paid	-	-
Other Comprehensive Income (OCI)	(46,893)	2,85,431
Net amount recognised in Balance Sheet	4,23,299	3,27,933
(vii) Expected Payout		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	1,366	1,217
2nd Following Year	1,531	1,361
3rd Following Year	1,720	1,525
4th Following Year	1,933	1,710
5th Following Year	2,282	1,920
Sum of Years 6 To 10	16,764	13,968
(viii) Assumptions		
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	6.79%	6.80%
Rate of Increase in Compensation	12.00%	12.00%
Expected Average Remaining Age	18.93	19.74
Employee Attrition rate	PS 0 to 60 : 0.80%	PS 0 to 60 : 0.80%
(ix) Sensitivity analysis for significant assumptions		
Projected Benefit Obligation on Current Assumptions	4,23,299	3,27,933
Delta Effect of +1% Change in Rate of Discounting	3,44,277	3,07,368
Delta Effect of -1% Change in Rate of Discounting	5,22,360	4,76,293
Delta Effect of +1% Change in Rate of Salary Increase	5,15,931	4,70,165
Delta Effect of -1% Change in Rate of Salary Increase	3,47,249	3,10,143



Narrations

1. Expected rate of return basis

Scheme is not funded EORA is not applicable

2. Description of Plan Assets and Reimbursement Conditions

100% of the Plan Asset is entrusted to 0 under their Group Gratuity Scheme. The reimbursement is subject to insurer's Surrender Policy.

3. Investment / Interest Risk

The Company is exposed to Investment / Interest risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.

4. Longevity Risk

The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

5. Risk of Salary Increase

The Company is exposed to higher liability if the future salaries rise more than assumption of salary escalation.

6. Discount Rate

The discount rate has remain unchanged and hence there is no change in liability resulting in no actuarial gain or loss due to change in discount rate.

25 Related Party Disclosures (Ind AS - 24)

A. Name of related parties and related party relationship:

Key Management Personnel

G. M. Loyalka	Director
Manish Newar	Director
R. D. Bhattar	Director
Rajshree Tapuriah	Director
Nitin Agarwal	Managing Director
Anil Londhe	Chief Financial Officer
Shruiti Didwania	Company Secretary

B Following transactions were carried out in the ordinary course of business with the parties referred to in (A) above:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
i. Salaries, Bonus and Allowances	13,62,659	10,82,752

The remuneration of key management personnel are determined by the nomination and remuneration Committee having regard to the performance of individuals and market trends.

C Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015). Loans and advances in the nature of loans to companies in which directors are interested as under:



Period	Balance of Loans as at	Maximum balance outstanding during the year
31st March, 2021	-	-
31st March, 2020	-	-

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

26 Earnings Per Share (Ind AS - 33)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit/(Loss) After Tax as per Statement of Profit and Loss	(78,14,349)	(91,85,020)
Weighted Average Number of Equity Shares	12,45,000	12,45,000
Basic and Diluted earnings per Share (In Rs.)	(6.28)	(7.38)
Nominal Value Per Share (In Rs.)	10.00	10.00

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

27 Contingent Liabilities not provided (Ind AS - 37)

- Estimated amount of contracts remaining to be executed on capital account and not provided for – Rs. Nil (PY - Rs. Nil).
- Other Contingent Liabilities not provided for - Rs. Nil (PY - Rs. Nil).

28 Segment Reporting (Ind AS - 108)

The Company operates mainly in the business segment of fund based leasing & financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments'.

29 Leases (Ind AS - 116)

Ind AS 116 did not have any material impact on the financial position of the Company for the year ended March 31, 2021.

30 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.

31 The provisions of section 186 of the Companies Act, 2013 pertaining to investment and lending activities were not applicable to the Company since the Company was an NBFC whose principal business was acquisitions of securities. Further, during the year, the Company has not provided any guarantee (Refer Note No. 27).

32 Pursuant to the RBI letter having ref. 1287/14/12-14-023/2018-19 dated 17.03.2020, the Company, vide its reply letter dated 12.08.2020, has surrendered its Original Certificate of Registration issued by the RBI stating that the principal business of the Company is no longer that of a NBFC.

Consequently, standalone financial statements for the year ended March 31, 2021 is presented as per the format applicable to Non-NBFC Companies and previous year's figures are also restated accordingly.

Further, an amount of Rs.92,89,250/- appearing as at the beginning of the period towards Special Reserve required to be maintained under Reserve Fund under RBI Act,1934 has been transferred to Retained Earnings since principal business of the Company is no longer that of a NBFC.



- 33 There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2021
- 34 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.
- 35 COVID-19 outbreak declared as a global pandemic by the WHO has continued to spread rapidly leading to extension of nationwide lockdown with minor exemptions and quarantine measures stalling economic activity. The Company has been in operation with minimal permitted staff. The Company has not faced any material adversity of its financial position as at March 31, 2021 and considering other relevant facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However, the impact of the global health pandemic may differ from that estimated as at the date of approval of the financial results and the Company will continue to closely monitor and material changes to future economic conditions.
- 36 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.
- 37 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
KARNAVAT & CO.
 Chartered Accountants
 Firm Regn. No. 104863W

Viral Joshi
 (Viral Joshi)
 Partner
 Membership No: 137686

Place : Mumbai
 Date: June 29, 2021
 UDIN : 21137686AAAAGP6098

For and on behalf of the Board of Directors

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

Shruti
 (Shruti Didwania)
 Company Secretary

Nitin Agarwal
 (Nitin Agarwal)
 Managing Director
 DIN: 08186528

Anil Londhe
 (Anil Londhe)
 Chief Financial Officer



UDIN : 21137686AAAAGQ5452

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
NILKANTH ENGINEERING LIMITED**

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **NILKANTH ENGINEERING LIMITED** (hereinafter referred to as the 'Parent Company') and its three Associate Companies (together referred to as "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (collectively referred to as 'Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note No.35 to the Consolidated Financial Statement for the year ended March 31, 2021, which describes the impact of the outbreak of Coronavirus (COVID-19) on the business operations. In view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our conclusion is not modified in respect of this matter.



(Cont..2)

Key Audit Matters

Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2021. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

Sr. No.	Key Audit Matter	Our Response
1	<p>Defined benefit obligation The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation.</p>	<p>We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit.</p> <p>We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.</p>
2	<p>Modified Audit Procedures carried out in light of COVID-19 outbreak:</p> <p>Due to COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central/ State Government/ Local Authorities during the period of our audit to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of the Parent Company.</p>	<p>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Parent Company's Office and carry out the audit processes physically.</p> <p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us through digital medium and emails. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p>



* 3 *

	<p>As we could not gather audit evidence in person/physically/through discussions and personal interactions with the officials at the Parent Company's Office, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely.</p>	<p>Accordingly, we modified our audit procedures as follows:</p> <ol style="list-style-type: none"> a. Conducted verification of necessary records/ documents through emails wherever physical access was not possible. b. Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails. c. Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels. d. Resolution of our audit observations telephonically/through email instead of a face-to-face interaction with the designated officials.
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Other Information

The Parent Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including Other Comprehensive Income, consolidated cash flows and consolidated Changes in Equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of



(Cont..4)

* 4 *

appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



(Cont..5)

* 5 *

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The Consolidated Financial Statements/information comprised in the Group's Consolidated Financial Statements are inclusive of Rs.16,39,548/- being the Parent Company's share in the net Loss of its two associate companies for the year ended 31st March, 2021, which Consolidated Financial Statements/financial information have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion in so far as it relates to the amounts and disclosures included in respect of these associates is based solely on the information and explanation provided by the management.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements certified by the Management.



Report on Other Legal and Regulatory Requirements

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 to be maintained by the Group 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 including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes In Equity dealt with by this Report are in agreement with the relevant books of account and records maintained by the Group 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 Group Companies as on March 31, 2021, and taken on record by the respective Board of Directors, none of the directors of the Group Companies is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- g) 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; and



(Cont..7)

* 7 *

h) With respect to the other matters to be included in the Auditor's Report in accordance with 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 Associate Companies.



Place : Mumbai
Dated : June 29, 2021

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


(Viral Joshi)
Partner
Membership No. 137686

Particulars	Notes	As at 31 March, 2021 (₹)	As at 31 March, 2020 (₹)
ASSETS			
1. Non-Current Assets			
(a) Property, plant and equipment	3	7,10,15,114	7,80,33,248
(b) Financial Assets			
i) Investments	4	1,20,90,45,044	1,15,73,72,672
ii) Other Financial Assets	5	8,30,808	8,08,251
Total Non-Current Assets		1,28,08,90,966	1,23,62,14,171
2. Current Assets			
(a) Financial Assets			
i) Cash and Cash Equivalents	6	30,53,414	18,51,971
(b) Other Current Assets	7	77,686	54,528
(c) Current Tax Assets (Net)	8	22,65,476	43,13,397
Total Current Assets		53,96,576	62,19,896
Total Assets		1,28,62,87,542	1,24,24,34,067
EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share Capital	9	1,24,50,000	1,24,50,000
(b) Other equity	10	1,12,32,04,413	1,07,92,99,497
		1,13,56,54,413	1,09,17,49,497
2. Liabilities			
Non-Current Liabilities			
(a) Provisions	11	4,21,933	3,26,875
3. Current Liabilities			
(a) Financial Liabilities			
i) Other Financial Liabilities	12	15,00,00,000	15,00,00,000
(b) Other Current Liabilities	13	2,09,830	3,56,637
(c) Provisions	14	1,366	1,058
		15,06,33,129	15,06,84,570
Total Equity and Liabilities		1,28,62,87,542	1,24,24,34,067

Summary of significant accounting policies 1 & 2
 The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
KARNAVAT & CO.
 Chartered Accountants
 Firm Regn. No. 104863W

(Virat Joshi)
 Partner
 Membership No: 137686

Place : Mumbai
 Date: June 29, 2021
 UDIN : 21137686AAAAGQ5452



For and on behalf of the Board of Directors

(G.M. Loyalka)
 Director
 DIN: 00299416

(Shruti Didwania)
 Company Secretary

(Nitin Agarwal)
 Managing Director
 DIN: 08186528

(Anil Londhe)
 Chief Financial Officer

NILKANTH ENGINEERING LIMITED

CIN: L27300MH1983PLC029360

Consolidated Statement of Profit and Loss for the year ended 31st March, 2021

Particulars	Notes	2020-21 (₹)	2019-20 (₹)
I. Income			
Other Income	15	15,94,640	17,61,415
Total Income		15,94,640	17,61,415
II. Expenses			
Employee Benefit Expenses	16	13,62,659	10,82,752
Finance Costs	17	-	1,40,274
Depreciation and Amortization Expenses	18	70,60,134	87,29,657
Other Expenses	19	9,86,196	9,66,934
Total Expenses		94,08,989	1,09,19,617
III. Profit/(Loss) Before Tax(III-IV)		(78,14,349)	(91,58,202)
IV. Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
Excess/(Short) Provision of Earlier Years		-	(26,818)
V. Net Profit After Tax		(78,14,349)	(91,85,020)
VI. Share of Profit from Associates		1,54,41,641	(1,93,19,863)
Profit after tax and Share in Profit of Associates		76,27,292	(2,85,04,883)
VII. Other Comprehensive Income (OCI)			
Other Comprehensive Income not to be reclassified to profit and loss in subsequent periods			
Actuarial Gain/(Loss)		46,893	(2,85,431)
Net Gain/(Loss) on FVTOCI Investments		3,62,30,731	(1,12,53,55,583)
Total Other Comprehensive Income		3,62,77,624	(1,12,56,41,014)
VIII. Total Comprehensive Income for the year		4,39,04,916	(1,15,41,45,897)
IX. Basic and Diluted Earnings per share (Face value ₹ 10 each)	26	6.13	(22.90)

Summary of significant accounting policies
The accompanying notes are an integral part of the financial statements.

1 & 2

As per our report of even date attached
KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

For and on behalf of the Board of Directors

(Viral Joshi)
Partner
Membership No: 137686



(G.M. Loyalka)
Director
DIN: 00299416

(Nitin Agarwal)
Managing Director
DIN: 08186528

Place : Mumbai
Date: June 29, 2021
UDIN : 21137686AAAAGQ5452

(Shruti Didwania)
Company Secretary

(Anil Londhe)
Chief Financial Officer



NILKANTH ENGINEERING LIMITED
CIN : L27300MH1983PLC029360
Consolidated Cash Flow Statement for the year ended 31st March, 2021

Particulars	Year Ended	
	2020-21 (₹)	2019-20 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation and extraordinary items	(76,14,349)	(91,58,202)
Adjustments for:		
Depreciation and amortisation expense	70,60,134	87,29,657
Provision for Expenses	2,10,138	6,84,570
Prepaid Expenses	77,686	54,528
(Profit)/Loss on Sale of Investments	(14,940)	(73,036)
Interest Expense	-	1,40,274
Dividend Income	-	(17,61,415)
Operating Profit before working capital changes	(4,81,331)	(13,83,624)
Increase/(Decrease) in Sundry Payables & Other Liabilities	(2,14,686)	(4,20,820)
(Increase)/Decrease in Trade & Other Receivables	18,16,520	33,75,033
(Increase)/Decrease in Inventories	-	-
Cash generated from operations	11,20,503	15,70,589
Less: Direct Taxes paid	(1,08,000)	1,33,200
Net Cash Flow from operating activities before extraordinary items	12,28,503	14,37,389
Adjustments for Prior Period Items	-	-
Net Cash Flow from operating activities	(A) 12,28,503	14,37,389
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Investments (net)	14,940	4,76,569
Purchase of Property, Plant and Equipment	(42,000)	(94,400)
Dividend Income	-	17,61,415
Net Cash from/(used) in Investing activities	(B) (27,060)	21,43,584
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Loan Taken / (Repaid)	-	(32,00,000)
Interest Paid	-	(1,40,274)
Net Cash from/(used) in financing activities	(C) -	(33,40,274)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	12,01,443	2,40,699
Cash & Cash Equivalents as at beginning of period	18,51,971	16,11,272
Cash & Cash Equivalents as at end of period	30,53,414	18,51,971

1. Cash and cash equivalents included in the Statement of cash flows comprise the following :

	2020-21 (₹)	2019-20 (₹)
Cash on hand	1,050	3,304
Balance in current account	30,52,364	18,48,667
Cash and cash equivalents as restated	30,53,414	18,51,971

2. Direct Tax paid are treated as arising from operating activity and not bifurcated in investment and financing activities.
3. Figures of the previous year have been re-grouped and re-classified wherever necessary to correspond with the figures of the current year.
4. Figures in brackets represent outflows.

As per our report of even date attached
KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

(Viral Joshi)
Partner
Membership No: 137686

Place : Mumbai
Date: June 29, 2021
UDIN : 21137686AAAAGQ5452



For and on behalf of the Board of Directors

(G.M. Loyalka)
Director
DIN: 00209416

(Shruti Didwania)
Company Secretary

(Nitin Agarwal)
Managing Director
DIN: 08186526

(Anil Londhe)
Chief Financial Officer

Equity Share Capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid up

	Number	Amount (₹)
At 01 April, 2019	12,45,000	1,24,50,000
issue of share capital	-	-
At 31 March, 2019	12,45,000	1,24,50,000
At 01 April, 2020	12,45,000	1,24,50,000
Issue of share capital	-	-
At 31 March, 2021	12,45,000	1,24,50,000

Other Equity

Particulars	Amount (₹)			Total Equity
	Reserve and Surplus		Items of OCI	
	Reserve Fund under RBI Act, 1934	Retained Earnings	Net Gain/(Loss) on FVTOCI Investments	
Balance as at 01 April, 2019	92,89,250	(1,78,11,413)	2,24,19,67,557	2,23,34,45,394
Profit/(Loss) for the year	-	(2,85,04,883)	-	(2,85,04,883)
Net Gain/(Loss) on FVTOCI Investments	-	-	(25,06,350)	(25,06,350)
Net Gain/(Loss) on FVTOCI Investments of Associates	-	-	(1,12,28,49,233)	(1,12,28,49,233)
Actuarial Gain/(Loss)	-	-	(2,85,431)	(2,85,431)
Tax effect on above	-	-	-	-
Transfer to Reserve Fund under RBI Act	-	(4,63,16,296)	1,11,63,26,543	1,07,92,99,497
Balance as at 31 March, 2020	92,89,250	(4,63,16,296)	1,11,63,26,543	1,07,92,99,497

Particulars	Amount (₹)			Total Equity
	Reserve and Surplus		Items of OCI	
	Reserve Fund under RBI Act, 1934	Retained Earnings	Net Gain/(Loss) on FVTOCI Investments	
Balance as at 01 April, 2020	92,89,250	(4,63,16,296)	1,11,63,26,543	1,07,92,99,497
Profit/(Loss) for the year	-	76,27,292	-	76,27,292
Net Gain/(Loss) on FVTOCI Investments	-	-	26,09,250	26,09,250
Net Gain/(Loss) on FVTOCI Investments of Associates	-	-	3,36,21,481	3,36,21,481
Actuarial Gain/(Loss)	-	-	46,893	46,893
Tax effect on above	-	-	-	-
Transfer from Reserve Fund under RBI Act (Refer Note No.32)	(92,89,250)	92,89,250	-	-
Balance as at 31 March, 2021	-	(2,93,99,754)	1,15,26,04,167	1,12,32,04,413

As per our report of even date attached
KARNAVAT & CO.

Chartered Accountants

Firm Regn. No. 104863W

(Viral Joshi)

Partner

Membership No: 137686



(G.M. Loyalka)

Director

DIN: 00299416

(Shruti Didwania)
Company Secretary

For and on behalf of the Board of Directors

(Nitin Agarwal)
Managing Director
DIN:08186528

(Anil Londhe)
Chief Financial Officer



Place : Mumbai

Date: June 29, 2021

UDIN : 21137686AAAAGQ5452

NILKANTH ENGINEERING LIMITED
CIN: L27300MH1983PLC029360

Notes to Consolidated Financial Statements for the year ended March 31, 2021

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

1. Background

Nilkanth Engineering Limited ('the Company') is domiciled in India and is incorporated under the provisions of the Companies Act, 1956 having Corporate Identity Number L27300MH1983PLC029360. Its shares are listed on Bombay Stock Exchange in India. The Company is engaged in the activity of financial planning, renting and related activities.

2. Significant Accounting Policies

i) Overall consideration

The Parent Company was not satisfying principal business criteria during the FY 2020-21, the principal business of the Parent Company has ceased to be that of a NBFC in terms of Press Release No. 1998-99/1269 dated 08.04.1999 issued by the RBI. Hence, as desired by RBI, the Parent Company has surrendered its Original Certificate of Registration issued by the RBI and that the principal business of the Parent Company is no longer that of a NBFC. Accordingly, these consolidated financial statements are presented as per the format applicable to Non-NBFC Companies.

The consolidated financial statements have been prepared using the significant accounting policies and measurement basis summarised below.

ii) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

iii) Principals of Consolidation

- i. The Consolidated Financial Statements of the Parent Company and its associates have been prepared in accordance with the Ind AS 110 'Consolidated Financial Statements' and Ind AS – 28 "Investment in Associates" notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
- ii. The consolidated financial statements have been prepared on the following basis:

Investments in associates are accounted under equity method as per Ind AS – 28 "Investment in Associates". 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 Parent Company'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



NILKANTH ENGINEERING LIMITED
CIN: L27300MH1983PLC029360

Notes to Consolidated Financial Statements for the year ended March 31, 2021

profits resulting from transactions between the Parent Company and the associates are eliminated to the extent of Parent Company'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 Parent Company.

- iii. 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.
- iv. The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances to the extent possible.
- v. The companies considered in the Consolidated Financial Statements are listed below:

Sr. No	Name of the Company	Country of Incorporation	Date of Becoming Associate	% Holding as on 31.03.2021
1	Jatayu Textiles & Industries Limited	India	31.10.2012	28.81%
2	Osiris Online Private Limited	India	26.02.2010	30.00%
3	Sushree Trading Limited	India	31.12.2011	42.43%

iv) Basis of preparation

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements are presented in Indian National Rupees (INR) and all values are rounded to the rupees, except when otherwise indicated.

v) Use of Estimates

The preparation of the consolidated financial statements in conformity with IndAS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.



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vi) Applicability of new and revised Ind AS:

a) New amended standards and interpretation

- i. Ind AS 1 Presentation of Consolidated Financial Statements - Substitution of the definition of term 'Material'.
- ii. Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.
- iii. Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.
- iv. Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.
- v. Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.
- vi. Ind AS 103 Business Combination - Detailed guidance on term 'Business' and 'Business Combination' along with providing an Optional test to identify concentration of Fair Value.
- vii. Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.
- viii. Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.
- ix. Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID- 19 pandemic can be accounted as lease modification or not.

None of the amendments has any material impact on the consolidated financial statements for the current year.

b) New standards notified and yet to be adopted by the Parent Company - None

vii) Current / non-current classification

Assets and liabilities in the balance sheet are classified into current/ non-current. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or



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- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

As the Parent Company's normal operating cycle is not clearly identifiable due to the varying nature of each project, the normal operating cycle has been assumed to be twelve months.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

viii) Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Parent Company and that revenue can be reliably measured, regardless of when the payments is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding duties and taxes collected on behalf of the Government.

The Parent Company follows the prudential norms for income recognition and provides for /writes off Non-Performing Assets as per the prudential norms prescribed by the Reserve Bank of India or earlier as ascertained by the management.

a. Dividend Income

Income is recognized as and when the Parent Company's rights to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

In case of interim dividend, the right to receive the payment is established, when the dividend gets approved by the Board of Directors.

In case of final dividend, the right to receive the payment is established, when the dividend gets approved by the shareholder's in the annual general meeting.

b. Interest Income

For all the debt instruments measured at amortized cost, interest income is recorded using effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to amortised cost of financial liability. When calculating EIR, the Parent Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider expected credit losses.



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c. Other Operational Revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

ix) Property, plant and equipment

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Parent Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Costs also include borrowing costs for qualifying assets capitalised in accordance with the Parent Company's accounting policy.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation is recognised using Written Down Value method so as to write off the cost of the assets (other than freehold land) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset.

Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted, if appropriate.

x) Leased assets

A right-of-use asset representing the right to use the underlying asset and a lease liability representing the obligation to make lease payments is recognized for all leases over 1 year on initial recognition basis. Discounted committed & expected future cash flows recognised as right-of-use asset and lease liability and depreciation on the asset portion on straight-line basis & interest on liability portion (net of lease payments) on EIR basis is recognized over the expected lease term. No right-of-use asset is created for short term leases (i.e. lease term less than 1 year) and leases of low value items (i.e. lease of asset with original cost of less than Rs.1 lakh).



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xi) Impairment testing of assets

The Parent Company reviews the carrying values of assets for any possible impairment at each balance sheet date. An impairment loss is recognized in the statement of profit and loss when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the assets net of selling price or value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on appropriate discount rate. If at the balance sheet date there is any indication that a previously assessed impaired loss no longer exists then such loss is reversed and the asset is restated to that extent.

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Cash-generating units (determined by the Parent Company's management as equivalent to its operating segments) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

xii) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Classification of Financial Instruments

At initial measurement, the Parent Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost;
2. Financial assets to be measured at fair value through other comprehensive income;
3. Financial assets to be measured at fair value through profit or loss account.

The classification depends on the contractual terms of the financial assets' cash flows and the Parent Company's business model for managing financial assets which are explained below:

Business Model Assessment

The Parent Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Parent Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Parent Company's original expectations, the Parent Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.



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The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Parent Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

In making this assessment, the Parent Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Parent Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the statement of Profit and Loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

b. Financial Assets

i. Initial recognition and measurement

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also considered.

ii. Investments in associates

The Parent Company measures investments in Equity instruments of associates at cost.

iii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- (a) Debt instruments at amortised cost.
- (b) Debt instruments and investment in Preference Shares at fair value through profit or loss (FVTPL).
- (c) Equity instruments measured at fair value through other comprehensive income (FVTOCI).

(a) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and



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ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the profit or loss.

(b) Debt instruments and investment in Preference Shares at fair value through profit or loss (FVTPL)

A debt instrument shall be measured at fair value through profit and loss (FVTPL) unless it is measured at amortised cost or at fair value through other comprehensive income, which generally occurs when the SPPI criterion is not met by the debt instrument.

(c) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

For all equity instruments other than the ones classified as at FVTPL, the Parent Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Parent Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Parent Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Parent Company transfers the cumulative gain or loss within equity.

iv. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when the rights to receive cash flows from the asset have expired.

v. Impairment

In accordance with Ind-AS 109, the Parent Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS 115. ECL is the difference between all contractual cash flows that are due to the Parent Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

The Parent Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial asset



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has not increased significantly since initial recognition, the Parent Company measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses.

No Expected credit losses are recognised on equity investments.

c. Financial Liabilities

i. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, financial guarantee, contract payables, or derivative instruments.

ii. Subsequent measurement

(a) Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risk are recognized in OCI. These gains / losses are not subsequently transferred to P&L. However, the Parent Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Parent Company has not designated any financial liability as at fair value through profit and loss.

(b) Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method.

Amortized cost is calculated by taking into account any discount or premium and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss. Any difference between the proceeds (net of transactions costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.



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iii. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

d. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

xiii) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Parent Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Parent Company's assumptions about pricing by market participants.

xiv) Segment reporting

An operating segment is a component of the Parent Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Parent Company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Parent Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.



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xv) Income taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Provision for current income tax is made on the basis of the assessable income under the Income tax Act, 1961.

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Parent Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

xvi) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

xvii) Equity, reserves and dividend payments

Share capital represents the nominal (par) value of shares that have been issued. Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits. Other components of equity include the following:

- Re-measurement of net defined benefit liability – comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets.
- Reserves for financial instruments measured at FVOCI.
- Retained earnings includes all current and prior period retained profits.

xviii) Post-employment benefits and long/short-term employee benefits



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Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of:

- (a) when the plan amendment or curtailment occurs; and
- (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and deductions in future contributions to the scheme.

The Parent Company provides benefits such as gratuity to its employees which are treated as defined benefit plans.

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

The Parent Company provides benefits such as superannuation, provident fund to its employees which are treated as defined contribution plans.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

xix) Provisions

Provisions are recognised when the Parent Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a realisable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost.



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xx) Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss, over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalization of such asset is added to the cost of the assets.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

xxi) Contingent liabilities and Contingent assets

Contingent Liabilities are not recognised but are disclosed in notes in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Parent Company.

Contingent assets are disclosed in the consolidated financial statements by way of notes to accounts, when an inflow of economic benefits is probable.

xxii) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the Year attributable to equity shareholders by the weighted average number of equity shares outstanding during the Year. For the purpose of calculating diluted earnings per share, the net profit or loss for the Year attributable to equity shareholders and the weighted average number of shares outstanding during the Year is adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

xxiii) Significant accounting judgements, estimates and assumptions

When preparing the consolidated financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Parent Company that have the most significant effect on the consolidated financial statements.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.



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Lease term of right-of-use assets

Management reviews its estimate of the lease term of right-of-use assets at each reporting date, based on the expected utility of the leased property. Uncertainties in this estimate relate to business obsolescence/discontinuance that may change the lease term for certain right-of-use assets.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Parent Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

xxiv) Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose consolidated financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Parent Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Parent



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Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the consolidated financial statements.

The amendments are extensive and the Parent Company will evaluate the same to give effect to them as required by law.



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3. Property, Plant & Equipments

Particulars	Gross Block			Depreciation and Amortisation			Net Block		
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	For the Year	Deductions	As at March 31, 2021	As at March 31, 2020
Buildings	7,80,26,347	-	-	7,80,26,347	1,53,39,410	30,44,393	-	5,96,42,544	6,26,86,937
Plant & Machinery	30,70,732	-	-	30,70,732	17,30,343	2,42,004	-	10,98,385	13,40,389
Furniture & Fittings	4,38,82,140	-	-	4,38,82,140	3,06,23,533	34,21,384	-	98,37,223	1,32,58,607
Computers	1,40,490	42,000	-	1,82,490	1,23,921	23,821	-	34,748	16,569
Office Equipments	81,27,443	-	-	81,27,443	73,96,697	3,28,532	-	4,02,214	7,30,746
Total	13,32,47,152	42,000	-	13,32,89,152	5,52,13,904	70,60,134	-	7,10,15,114	7,80,33,248



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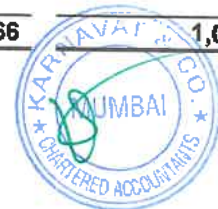
Note 4 : INVESTMENTS

Particulars	Face Value	Number	As at 31 March, 2021 (₹)	As at 31 March, 2020 (₹)
Investments at Fair Value through OCI (FVTOCI)				
I) Quoted Equity Shares not held for trade				
Jay Shree Tea & Industries Limited (31st March, 2020 : 73,500)	5	73,500	48,65,700	22,56,450
Mansoon Trading Company Limited (31st March, 2020 : 1,22,200)	10	1,22,200	2,81,060	2,81,060
Meenakshi Steel Industries Limited (31st March, 2020 : 90,000)	10	90,000	2,02,500	2,02,500
			53,49,260	27,40,010
II) Unquoted Equity Shares not held for trade				
In Associate Companies				
Jatayu Textiles & Industries Limited (31st March, 2020 : 5,73,900)	10	5,73,900	2,10,70,901	2,10,70,901
Add: Post Acquisition Profit/(Loss)				
Add: Goodwill/(Capital Reserve) on Investment in Associates			47,97,42,457 (27,00,348)	51,87,82,437 (27,00,348)
Osiris Online Private Limited (31st March, 2020 : 3,000)	10	3,000	(16,236)	(16,236)
Add: Post Acquisition Profit/(Loss)				
Add: Goodwill/(Capital Reserve) on Investment in Associates			5,43,71,406 46,311	5,43,73,829 46,311
Sushree Trading Limited (31st March, 2020 : 5,28,250)	10	5,28,250	3,61,43,911	3,61,43,911
Add: Post Acquisition Profit/(Loss)				
Add: Goodwill/(Capital Reserve) on Investment in Associates			61,23,78,559 (2,07,02,377)	52,42,73,034 (2,07,02,377)
In Other Companies				
Aakarshak Synthetics Limited (31st March, 2020 : 17,11,000)	10	17,11,000	1,61,51,200	1,61,51,200
Manav Investment & Trading Company Limited (31st March, 2020 : 2,67,300)	100	2,67,300	-	-
Rutgers Investment & Trading Company Private Limited (31st March, 2020 : 72,000)	100	72,000	72,10,000	72,10,000
			1,20,36,95,784	1,15,46,32,662
Total			1,20,90,45,044	1,15,73,72,672
Aggregate value of quoted investments			53,49,260	27,40,010
Aggregate value of unquoted investments			1,20,36,95,784	1,15,46,32,662



NILKANTH ENGINEERING LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2021

	As at 31 March, 2021 (₹)	As at 31 March, 2020 (₹)
<u>Note 5 : OTHER FINANCIAL ASSETS</u>		
Deposits	4,20,200	4,20,200
Advances recoverable in cash or kind	4,10,608	3,88,051
Total	8,30,808	8,08,251
<u>Note 6 : CASH AND CASH EQUIVALENTS</u>		
Cash in hand	1,050	3,304
Balances with Banks in - Current Accounts	30,52,364	18,48,667
Total	30,53,414	18,51,971
<u>Note 7 : OTHER CURRENT ASSETS</u>		
Prepaid Expenses	77,686	54,528
Total	77,686	54,528
<u>Note 8 : CURRENT TAX ASSETS (NET)</u>		
Advance Income Taxes (Net of Provision for taxation as on 31.03.2021 - Rs.2,00,000, 31 March, 2020- Rs. 2,00,000)	22,65,476	43,13,397
Total	22,65,476	43,13,397
<u>Note 11 : NON-CURRENT PROVISIONS</u>		
Provision for Gratuity	4,21,933	3,26,875
Total	4,21,933	3,26,875
<u>Note 12 : OTHER FINANCIAL LIABILITIES</u>		
Security Deposit	15,00,00,000	15,00,00,000
Total	15,00,00,000	15,00,00,000
<u>Note 13 : OTHER CURRENT LIABILITIES</u>		
Expenses Payable	1,94,880	3,44,637
Other Payable	14,950	12,000
Total	2,09,830	3,56,637
<u>Note 14 : CURRENT PROVISIONS</u>		
Provision for Gratuity	1,366	1,058
Total	1,366	1,058



NILKANTH ENGINEERING LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2021

Note 9 : SHARE CAPITAL

Particulars

	As at 31 March, 2021 (₹)	As at 31 March, 2020 (₹)
Authorised:		
12,50,000 (March 31, 2020: 12,50,000) Equity Shares, of Rs. 10 par value	1,25,00,000	1,25,00,000
	<u>1,25,00,000</u>	<u>1,25,00,000</u>
Issued, Subscribed and Fully Paid up Shares		
12,45,000 (March 31, 2020: 12,45,000) Equity Shares, of Rs. 10 par value	1,24,50,000	1,24,50,000
Total	<u><u>1,24,50,000</u></u>	<u><u>1,24,50,000</u></u>

A) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

Equity Share Description	As at 31st March, 2021		As at 31 March, 2020	
	Number	(₹)	Number	(₹)
Number of Shares outstanding at the beginning of the year	12,45,000	1,24,50,000	12,45,000	1,24,50,000
Number of Shares issued during the year	-	-	-	-
Number of Shares outstanding at the end of the year	<u>12,45,000</u>	<u>1,24,50,000</u>	<u>12,45,000</u>	<u>1,24,50,000</u>

Term/right attached to equity shares

The Parent 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.

Dividends, if any, is declared and paid in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. However, no dividend is / was declared on the equity shares for the year ended March 31 2021 / March 31, 2021.

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

B) List of shareholder holding more than 5 % of the paid up Equity Share Capital

Name of Equity Share Holder	31st March, 2021		31st March, 2020	
	Number	%	Number	%
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%



NILKANTH ENGINEERING LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2021

NOTE 10 : OTHER EQUITY

Particulars	As at 31 March, 2021 (₹)	As at 31 March, 2020 (₹)
<u>(i) Retained Earnings</u>		
Balance as per last Financial Statements	(4,63,16,296)	(1,78,11,413)
Profit/(Loss) for the year	76,27,292	(2,85,04,883)
Add: Transfer from Special Reserve	92,89,250	-
Total	(2,93,99,754)	(4,63,16,296)
<u>(ii) Special Reserve</u>		
Reserve Fund under RBI Act, 1934		
Balance as per last Financial Statements	92,89,250	92,89,250
Less: Transferred to Retained Earnings (Refer Note No.32)	(92,89,250)	-
	-	92,89,250
<u>(iii) FVTOCI Reserves</u>		
Balance as per last Financial Statements	1,11,63,26,543	2,24,19,67,557
Net Gain/(Loss) on FVTOCI Investments	26,09,250	(25,06,350)
Actuarial Gain/(Loss)	46,893	(2,85,431)
Net Gain/(Loss) on FVTOCI Investments of Associates		
Osiris Online Private Limited	179	(5,94,97,350)
Sushree Trading Limited	8,97,42,471	(57,61,49,723)
Jatayu Textiles & Industries Limited	(5,61,21,169)	(48,72,02,160)
Tax effect on above	-	-
Total	1,15,26,04,167	1,11,63,26,543
	1,12,32,04,413	1,07,92,99,497

Notes:

Special Reserve : Special reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

FVTOCI Reserve : The Parent Company has elected to recognise changes in the fair value of certain instruments in equity securities and debt instruments in Other Comprehensive Income. These changes are accumulated with the FVOCI reserve within equity. The Parent Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.



NILKANTH ENGINEERING LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2021

Particulars	2020-21 (₹)	2019-20 (₹)
Note 15 : OTHER INCOME		
Rent Received	14,40,000	13,32,000
Dividend Received	-	25,725
Interest on Income Tax Refund	1,39,700	2,88,654
Net Gain on Fair Value Changes	14,940	73,036
Miscellaneous Income	-	42,000
Total	15,94,640	17,61,415
Note 16 : EMPLOYEE BENEFIT EXPENSES		
Salaries, Bonus and Allowances	12,20,400	10,40,250
Gratuity	1,42,259	42,502
Total	13,62,659	10,82,752
Note 17 : FINANCE COSTS		
Interest on Inter Corporate Loan	-	1,40,274
	-	1,40,274
Note 18 : DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on Property, Plant & Equipments	70,60,134	87,29,657
Total	70,60,134	87,29,657
Note 19 : OTHER EXPENSES		
Advertisement expenses	25,485	18,047
Bank charges	887	670
Conveyance	3,912	20,054
Credit Information Membership Fees	-	5,900
Custodian / ISIN activation charges	21,240	21,240
Demat Account Charges	944	944
Electricity Charges	7,300	5,530
Filing Fees	3,000	10,800
General Expenses	16,193	10,719
Insurance Charges	90,264	70,068
Legal and Professional Charges	59,835	66,660
Listing Fees	3,54,000	3,54,000
Property Tax	1,02,094	1,02,094
Rent Paid	21,420	20,592
Repairs & Maintenance		
On Building	64,248	61,776
Telephone Expenses	13,594	17,479
Travelling Expenses	-	38,761
Payment to Auditor		
Audit Fees	1,50,000	1,00,000
Limited Review	15,000	15,000
Certification	6,000	5,000
Reimbursement of Tax	30,780	21,600
Total	9,86,196	9,66,934



20. Financial instrument and fair value measurement

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Parent Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at 31st March, 2021	Carrying Amount				Fair Value			
	At Fair value through Profit & Loss	At Fair value through Other Comprehensive Income	Amortise Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and Cash Equivalents	-	-	30,53,414	30,53,414	-	-	30,53,414	30,53,414
Investments	-	2,87,10,460	5,71,98,576	8,59,09,036	53,49,260	-	1,20,36,95,784	1,20,90,45,044
Other Financial Assets	-	-	8,30,808	8,30,808	-	-	8,30,808	8,30,808
	-	2,87,10,460	6,10,82,798	8,97,93,258	53,49,260	-	1,20,75,80,006	1,21,29,28,266
Financial Liabilities								
Borrowings	-	-	-	-	-	-	-	-
Other Financial Liabilities	-	-	15,00,00,000	15,00,00,000	-	-	15,00,00,000	15,00,00,000
	-	-	15,00,00,000	15,00,00,000	-	-	15,00,00,000	15,00,00,000

As at 31st March, 2020	Carrying Amount				Fair Value			
	At Fair value through Profit & Loss	At Fair value through Other Comprehensive Income	Amortise Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and Cash Equivalents	-	-	18,51,971	18,51,971	-	-	18,51,971	18,51,971
Investments	-	2,61,01,210	5,71,98,576	8,32,99,786	27,40,010	-	1,15,46,32,662	1,15,73,72,672
Other Financial Assets	-	-	8,08,251	8,08,251	-	-	8,08,251	8,08,251
	-	2,61,01,210	5,98,88,798	8,59,80,008	27,40,010	-	1,16,72,82,884	1,18,00,32,894
Financial Liabilities								
Borrowings	-	-	-	-	-	-	-	-
Other Financial Liabilities	-	-	15,00,00,000	15,00,00,000	-	-	15,00,00,000	15,00,00,000
	-	-	15,00,00,000	15,00,00,000	-	-	15,00,00,000	15,00,00,000

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments and bonds which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



21 Capital Management:

The primary objectives of the Parent Company's capital management policy are to ensure that the Parent Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders value.

The Parent Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. Capital Management Policy, objectives and processes are under constant review by the Board.

22 Financial Risk Management Objectives and Policies:

The Parent Company's principal financial liabilities comprise Security Deposits and Provisions. The Parent Company's financial assets include Investments and Cash and Cash equivalents that derive directly from its operations.

The Parent Company is exposed to credit risk, liquidity risk and market risk. The Parent Company's board of directors has an overall responsibility for the establishment and oversight of the Parent Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Parent Company's risk management policies. The committee reports to the board of directors on its activities.

The Parent Company's risk management policies are established to identify and analyse the risks faced by the Parent Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Parent Company's activities.

The Parent Company's risk management committee oversees how management monitors compliance with the Parent Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Parent Company.

1) Credit risk

Credit risk is the risk of financial loss to the Parent Company if a customer fails to meet its contractual obligations and arises principally from the Parent Company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.

Investments

The major investments of the Parent Company is in the group companies which includes investment in an associate.

Cash and cash equivalent and Bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the fund are in Current Account and sometimes in invests in term deposits with banks.

2) Liquidity risk

Liquidity risk is the risk that the Parent Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Parent Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Parent Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Parent Company manages its liquidity by term loans, inter-corporate deposit and investment in mutual funds.

The table below summarises the maturity profile of the Parent Company's non-derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

Particular	As at 31 March, 2021		
	Up to 12 months	More than 12 months	Total
Security Deposit	15,00,00,000	-	15,00,00,000

Particular	As at 31 March, 2020		
	Up to 12 months	More than 12 months	Total
Security Deposit	15,00,00,000	-	15,00,00,000

3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.



NILKANTH ENGINEERING LIMITED**Notes to the Consolidated Financial Statements (Continued)**
for the year ended 31st March, 2021**23 Income Taxes & Deferred Taxes (Ind AS - 12)**

There are no Income Tax recognised during the financial year. Further, in absence of near probability of taxable profits in future periods, the Parent Company has not recognised Deferred Taxes.

24 Gratuity and other post employment benefit plans (Ind AS - 19)**Defined Benefit Plans****Gratuity:**

The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Parent Company and is in accordance with the rules of the Parent Company for payment of gratuity.

Inherent Risk:

The plan is defined benefit in nature which is sponsored by the Parent Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Parent Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

Statement of Assets and Liabilities for Defined Benefit Obligation :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Gratuity and other post employment benefit plans		
(i) Change in present value of obligation		
PVO at the beginning of period	3,27,933	-
Interest cost	22,299	-
Current Service cost	1,19,960	42,502
Past Service Cost - (Non-Vested Benefits)	-	-
Past Service Cost - (Vested Benefits)	-	-
Benefit settled	-	-
Contribution by participants	-	-
Business Combinations	-	-
Curtailments	-	-
Settlements	-	-
Actuarial (gain)/ loss on obligation	(46,893)	2,85,431
PVO at the end of period	4,23,299	3,27,933
(ii) Changes in the fair value of plan assets		
Fair value of plan assets at beginning of period	-	-
Adjustment to Opening Balance	-	-
Expected return on plan assets excl. interest income	-	-
Interest Income	-	-
Contributions by Employer	-	-
Contributions by Employee	-	-
Benefits Paid	-	-
Fair value of plan assets at end of period	-	-
(iii) Amount to be recognised in Balance Sheet		
PVO at the end of period	4,23,299	3,27,933
Fair value of plan assets at end of year	-	-
Funded Status	(4,23,299)	(3,27,933)
Net Asset/(Liability) recognised in the Balance Sheet	(4,23,299)	(3,27,933)



NILKANTH ENGINEERING LIMITED

Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2021

(iv) Expenses recognised in Statement of Profit and Loss		
Current Service cost	1,19,960	42,502
Net Interest cost	22,299	-
Past Service Cost - (Non-Vested Benefits)	-	-
Past Service Cost - (Vested Benefits)	-	-
Curtailement Effect	-	-
Settlement Effect	-	-
Unrecognised Past Service Cost (Non-Vested Benefits)	-	-
Actuarial (gain)/ loss recognised for the period	(46,893)	2,85,431
Return on plan assets excl. net interest	-	-
Expenses recognised in the Statement of Profit & Loss	1,42,259	3,27,933
(v) Other Comprehensive Income (OCI)		
Actuarial (Gain)/Loss recognized for the period	(46,893)	2,85,431
Asset limit effect	-	-
Return on Plan Assets excl. net interest	-	-
Unrecognized Actuarial (Gain)/Loss from previous period	-	-
Total Actuarial (Gain)/Loss recognized in (OCI)	(46,893)	2,85,431
(vi) Movement in the liability recognised in Balance Sheet		
Liability at the beginning of the period	3,27,933	-
Adjustment to Opening Balance	-	-
Expenses	1,42,259	42,502
Contribution paid	-	-
Other Comprehensive Income (OCI)	(46,893)	2,85,431
Net amount recognised in Balance Sheet	4,23,299	3,27,933
(vii) Expected Payout		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	1,366	1,217
2nd Following Year	1,531	1,361
3rd Following Year	1,720	1,525
4th Following Year	1,933	1,710
5th Following Year	2,282	1,920
Sum of Years 6 To 10	16,764	13,968
(viii) Assumptions		
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	6.79%	6.80%
Rate of Increase in Compensation	12.00%	12.00%
Expected Average Remaining Age	18.93	19.74
Employee Attrition rate	PS 0 to 60 : 0.80%	PS 0 to 60 : 0.80%
(ix) Sensitivity analysis for significant assumptions		
Projected Benefit Obligation on Current Assumptions	4,23,299	3,27,933
Delta Effect of +1% Change in Rate of Discounting	3,44,277	3,07,368
Delta Effect of -1% Change in Rate of Discounting	5,22,350	4,76,293
Delta Effect of +1% Change in Rate of Salary Increase	5,15,931	4,70,165
Delta Effect of -1% Change in Rate of Salary Increase	3,47,249	3,10,143



NILKANTH ENGINEERING LIMITED**Notes to the Consolidated Financial Statements (Continued)**
for the year ended 31st March, 2021**Narrations****1. Expected rate of return basis**

Scheme is not funded EORA is not applicable

2. Description of Plan Assets and Reimbursement Conditions

100% of the Plan Asset is entrusted to 0 under their Group Gratuity Scheme. The reimbursement is subject to insurer's Surrender Policy.

3. Investment / Interest Risk

The Parent Company is exposed to Investment / Interest risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.

4. Longevity Risk

The Parent Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

5. Risk of Salary Increase

The Parent Company is exposed to higher liability if the future salaries rise more than assumption of salary escalation.

6. Discount Rate

The discount rate has remain unchanged and hence there is no change in liability resulting in no actuarial gain or loss due to change in discount rate.

25 Related Party Disclosures (Ind AS - 24)**A. Name of related parties and related party relationship:****Key Management Personnel**

G. M. Loyalka	Director
Manish Newar	Director
R. D. Bhattar	Director
Rajshree Tapuriah	Director
Nitin Agarwal	Managing Director
Anil Londhe	Chief Financial Officer
Shruit Didwania	Company Secretary

B. Following transactions were carried out in the ordinary course of business with the parties referred to in (A) above:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
i. Salaries, Bonus and Allowances	13,62,659	10,82,752

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

C. Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015). Loans and advances in the nature of loans to companies in which directors are interested as under:

NILKANTH ENGINEERING LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2021

Period	Balance of Loans as at	Maximum balance outstanding during the year
31st March, 2021	-	-
31st March, 2020	-	-

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

26 Earnings Per Share (Ind AS - 33)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit/(Loss) After Tax as per Statement of Profit and Loss	76,27,292	(2,85,04,883)
Weighted Average Number of Equity Shares	12,45,000	12,45,000
Basic and Diluted earnings per Share (In Rs.)	6.13	(22.90)
Nominal Value Per Share (In Rs.)	10.00	10.00

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

27 Contingent Liabilities not provided (Ind AS - 37)

- Estimated amount of contracts remaining to be executed on capital account and not provided for – Rs. Nil (PY - Rs. Nil).
- Other Contingent Liabilities not provided for - Rs. Nil (PY - Rs. Nil).

28 Segment Reporting (Ind AS - 108)

The Parent Company operates mainly in the business segment of fund based leasing & financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments'.

29 Leases (Ind AS - 116)

Ind AS 116 did not have any material impact on the financial position of the Parent Company for the year ended March 31, 2021.

30 Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

Based on the intimation received by the Parent 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.

- 31** The provisions of section 186 of the Companies Act, 2013 pertaining to investment and lending activities were not applicable to the Parent Company since the Parent Company was an NBFC whose principal business was acquisitions of securities. Further, during the year, the Parent Company has not provided any guarantee (Refer Note No. 27).



NILKANTH ENGINEERING LIMITED

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31st March, 2021

32 Pursuant to the RBI letter having ref. 1287/14/12-14-023/2018-19 dated 17.03.2020, the Parent Company, vide its reply letter dated 12.08.2020, has surrendered its Original Certificate of Registration issued by the RBI stating that the principal business of the Parent Company is no longer that of a NBFC.

Consequently, consolidated financial statements for the year ended March 31, 2021 is presented as per the format applicable to Non-NBFC Companies and previous year's figures are also restated accordingly.

Further, an amount of Rs.92,89,250/- appearing as at the beginning of the period towards Special Reserve required to be maintained under Reserve Fund under RBI Act,1934 has been transferred to Retained Earnings since principal business of the Parent Company is no longer that of a NBFC.

33 There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2021

34 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.

35 COVID-19 outbreak declared as a global pandemic by the WHO has continued to spread rapidly leading to extension of nationwide lockdown with minor exemptions and quarantine measures stalling economic activity. The Parent Company has been in operation with minimal permitted staff. The Parent Company has not faced any material adversity of its financial position as at March 31, 2021 and considering other relevant facts and circumstances existing as of that date, the Parent Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However, the impact of the global health pandemic may differ from that estimated as at the date of approval of the financial results and the Parent Company will continue to closely monitor and material changes to future economic conditions.

36 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.

37 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
KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W


(Viral Joshi)
Partner
Membership No: 137686



Place : Mumbai
Date: June 29, 2021
UDIN : 21137686AAAAGQ5452

For and on behalf of the Board of Directors


(G.M. LOYALKA)
Director
DIN: 00299415


(Shrutididwania)
Company Secretary


(NITIN AGARWAL)
Managing Director
DIN: 08186528


(Anil Londhe)
Chief Financial Officer



NILKANTH ENGINEERING LIMITED

CIN NO: L27300MH1983PLC029360

Regd. Office: 407, Kalbadevi Road, Daulat Bhawan, 3rd Floor, Mumbai — 400 002,

Email : nilkantengineeringltd@gmail.com

Website : www.nilkantengineering.co.in

PROXY FORM

Name of the member(s):	
Registered address:	
E-mail Id:	
Folio No.	

I/We being a member(s) of _____ shares of the above named company, hereby appoint

1. Name : _____ of _____

E-mail Id: _____ or failing him

2. Name : _____ of _____

E-mail Id: _____ or failing him

3. Name : _____ of _____

E-mail Id: _____

and whose signatures are appended below as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th Annual General Meeting of the Company to be held on the Wednesday, 29th day of September, 2021 at 4.30 pm and at any adjournment thereof in respect of such resolutions as are indicated below:

*I wish my above proxy to vote in the manner as indicated below:

Resolutions	For	Against
1. To consider and adopt the Audited Financial Statements including audited consolidated financial statements of the Company for the financial year ended March 31, 2021, together with the reports of the Board of Directors and the Auditors thereon.		
2. To appoint a Director in place of Mr. Nitin Agrawal (DIN No: 08186528) who retires by rotation and, being eligible, offers himself for re-appointment		
3. To make investments, give loans, guarantees and securities in excess of limits specified under section 186 of the Companies Act, 2013.		

Signed this ____ day of _____ 2021.

Signature of shareholder

Signatures of proxy holders

1. _____

2. _____

3. _____

Affix
Rupee 1/-
Revenue
Stamp

Notes:

1. The proxy form duly signed across the Revenue Stamp must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.
2. A proxy need not be a member of the Company.
3. Please put a 'X' in the appropriate column against the resolutions indicated in the Box.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

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ATTENDANCE SLIP

I hereby record my presence at the 38th Annual General Meeting of the Company being held on Wednesday, 29th day of September, 2021 at 4.30 pm at the Registered Office of the Company at 407, Kalbadevi Road, Daulat Bhawan, 3rd Floor, Mumbai.400 002

Full name of the shareholder _____

Signature _____

Folio No. _____

Full name of the Proxy _____

Signature _____