

NILKANTH ENGINEERING LIMITED

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

DIRECTORS' REPORT TO THE SHARE HOLDERS

Dear Shareholders,

Yours Directors have pleasure in presenting to you the 30th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS

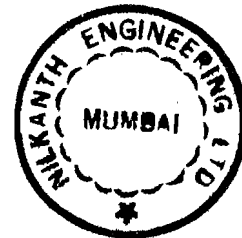
Particulars	2012-13 Rs.	2011-12 Rs.
Income	45,65,652	58,85,227
Expenses	5,59,922	4,79,564
Profit / (Loss) before tax	40,05,730	54,05,663
Tax expenses:		
Current Tax	(9,75,225)	(11,99,669)
Profit after tax	30,30,505	42,05,994

DIVIDEND

With a view to conserve the resources of the Company, your Directors do not recommend any dividend for the year under review.

DIRECTORS

Mr. Lalit Kumar Daga retire by rotation from the Board and being eligible offers himself for reappointment.



DIRECTOR RESPONSIBILITY STATEMENT

Your Directors confirm that :

- i in the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year ended on 31st March, 2013 and of the profit of the Company for that year;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public during the year under review.

EMPLOYEES

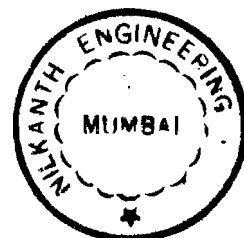
The Company had no employees of the category specified in Section 217(2A) of the Companies Act, 1956.

AUDITORS

M/s Karnavat & Co., Chartered Accountants, the Statutory Auditors of the Company retire and being eligible offer themselves for re- appointment.

AUDITORS REPORT

The observations made by the Auditor are self explanatory and therefore, do not call for any further comments on the Auditors Report under Section 217 of the Companies Act, 1956.



COMPLIANCE CERTIFICATE

Pursuant to the proviso to Section 383A (1) of the Companies Act, 1956 read with the Companies (Compliance Certificates) Rules, 2001 framed thereunder, your Company has obtained a Compliance Certificate from Girish Murarka and Company, Company Secretaries, Mumbai for the financial year ended 31st March, 2013 confirming that the Company has complied with all the provisions of the Companies Act, 1956. A copy of such certificate is attached with this Report and forms an integral part. The observations made in the Compliance Certificate are self explanatory and therefore do not call for any comments.

REPORT ABOUT CONSERVATION OF ENERGY

Since the Company is not having any manufacturing activity, Directors have nothing to report on conservation of energy, research and development and technology absorption.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned during the year under review - Rs. Nil

Foreign Exchange spent during the year under review - Rs. Nil

APPRECIATION

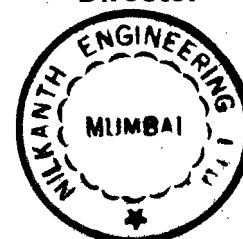
Your Directors place on record their deep appreciation of the assistance and contribution received from their bankers, employees, etc.

For and on behalf of Board of Directors


Director


Director

Place : Mumbai
Date : 30.08.2013



INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
NILKANTH ENGINEERING LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **NILKANTH ENGINEERING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that gives a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

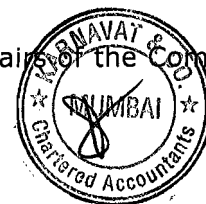
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

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

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;



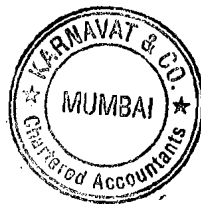
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- b) In the case of the Statement of Profit and Loss, of the **profit** for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.



192, Dr. D. N. Road
Mumbai - 400001
Dated: 25.06.2013

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

Viral Joshi
(Viral Joshi)
Partner
Membership No. 137686

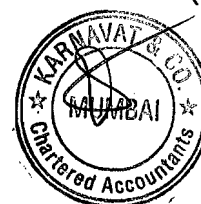
NILKANTH ENGINEERING LIMITED

(Referred to in paragraph 4 of our report of even date)

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act 1956, and on the basis of such checks as we considered appropriate, we further report that:-

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All assets have been physically verified by the Management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the asset. No material discrepancies were noticed on such physical verification.
- (c) No fixed assets has been disposed of during the year.
- ii) The company does not hold any inventory and accordingly sub-clause (a), (b) and (c) of the clause (ii) of the aforesaid order, are not applicable.
- iii) The Company has neither granted nor taken any loans secured or unsecured to or from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956, hence in our opinion clause (iii)(b) to (iii)(d) and (iii)(f) to (iii)(g) of Paragraph 4 of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to the purchase of fixed assets, shares, debentures and securities and sale of goods & services. During the course of our audit, no major weaknesses have been noticed in the internal controls system.
- v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of Paragraph 4(v) (b) of the Order are not applicable.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public to which provisions of Sections 58 A and 58 AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 are applicable. We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii) *The Company does not have a formal internal audit system.* The internal audit is carried out by the staff and, in our opinion, the internal audit system is commensurate with the size and nature of its business;

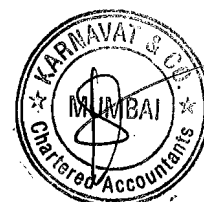
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- viii) The Central Government has not prescribed the maintenance of cost records under Section 209 of the Companies Act 1956 in case of the Company.
- ix) a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, sales-tax, service tax, wealth tax, cess and other statutory dues applicable to it.
- b) The company is regular in depositing undisputed statutory dues with the appropriate authorities. There were no undisputed amounts payable in respect of aforesaid statutory dues as at 31st March, 2013 for a period of more than six months from the date they becoming payable.
- c) According to the records of the company and the information and explanations given to us, we are of the opinion that there are no aforesaid statutory dues of that have not been deposited on account of any dispute.
- x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash loss during the financial year covered under report and in the immediately preceding financial year;
- xi) According to the records of the Company examined by us and the information and explanations given to us, we are of the opinion that the Company has not borrowed any amount from financial institution or banks. Hence, in our opinion, provisions of clause (xi) of Paragraph 4 of the Order are not applicable.
- xii) In our opinion and according to the explanations given to us and based on the information available, the Company has not granted any loans on the basis of security by way of pledge of shares, debentures and other securities;
- xiii) The Company is not a chit fund/ nidhi/ mutual benefit fund/society therefore, the provisions of clause 4(xiii) of Paragraph 4 of the said order are not applicable to the Company.
- xiv) Based on our examination of the records and evaluation of the related internal control, the Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the company in its own name, except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
- xv) As per the information and explanation given to us by the management, the Company has not given any guarantees for loans taken by others from any banks or financial institutions. Accordingly, the provisions of clause 4(xv) of Paragraph 4 of the aforesaid 'Order' are not applicable to the Company.

(cont..3)



- xvi) In our opinion, and according to the Information and explanations given to us, the Company has not raised any new term loans from banks or financial institutions, and accordingly the requirement of clause (xvi) of Paragraph 4 of the Order are not applicable to the Company.
- xvii) Based on our examination of books of account and according to the information and explanations given to us, we are of the opinion that there are no funds raised on short term basis that have been used for long-term investments. During the year, the Company has not raised funds on long term basis.
- xviii) As per the information and explanation given to us by the management the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the requirement of Paragraph 4(xix) of the Order is not applicable.
- xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures and hence in our opinion, the question of creating securities therefore does not arise;
- xx) According to the information and explanations given to us, during the period covered by our audit report, no public issue has been made by the Company during the year and requirement of this sub-clause iii (xx) of the aforesaid 'Order' is not applicable to the Company.
- xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and to the best of our knowledge and belief, and according to the information and explanations given to us by the management, which have been relied upon by us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

192, Dr. D. N. Road
Mumbai - 400001
Dated: 25.06.2013



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

Viral Joshi

(Viral Joshi)
Partner
Membership No. 137686

NILKANTH ENGINEERING LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

	Notes	As at 31-03-2013	As at 31-03-2012
I EQUITY AND LIABILITIES			
1 Shareholders' Fund			
Share Capital	2	12,450,000	12,450,000
Reserves and Surplus	3	<u>34,920,442</u>	<u>31,889,937</u>
		47,370,442	44,339,937
2 Non-Current Liabilities			
Other Long Term Liabilities	4	24,000,000	24,000,000
3 Current Liabilities			
Other Current Liabilities	5	<u>33,708</u>	<u>28,090</u>
Total		<u>71,404,150</u>	<u>68,368,027</u>
II ASSETS			
1 Non Current Assets			
Fixed Assets			
Tangible Assets	6	<u>452,862</u>	<u>478,093</u>
		452,862	478,093
Non Current Investments	7	54,485,640	28,456,207
Long Term Loans and Advances	8	<u>42,924</u>	<u>38,162</u>
		54,528,564	28,494,369
2 Current Assets			
Current Investments	9	1,307,462	5,906,495
Cash and Bank Balances	10	327,626	1,582,692
Short Term Loans and Advances	8	12,182,252	31,906,379
Other Current Assets	11	<u>2,605,385</u>	<u>-</u>
		16,422,725	39,395,566
Total		<u>71,404,150</u>	<u>68,368,027</u>

Significant Accounting Policies 1
The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of

KARNAVAT & CO.

Chartered Accountants

Firm Regn. No. 104863W

(Viral Joshi)

Partner

Membership No. 137686

Place: Mumbai

Date:

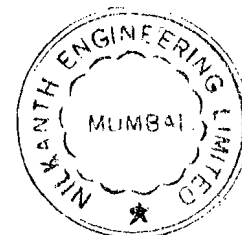
12.5 JUN 2013



For and on behalf of the Board of Directors

L.K. Daga
L.K. Daga
Director

R. D. Bhattar
(R. D. Bhattar)
Director



NILKANTH ENGINEERING LIMITED**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

	Notes	Year ended 31-03-2013	Year ended 31-03-2012
I INCOME			
Revenue from Operations	12	3,533,639	4,745,689
Other Income	13	1,032,013	1,139,538
Total Revenue		4,565,652	5,885,227
II EXPENSES			
Employee Benefit Expenses	14	399,000	262,200
Depreciation and Amortization Expenses	15	25,231	26,805
Other Expenses	16	135,691	190,559
Total Expenses		559,922	479,564
III Profit before Extraordinary Items and Tax		4,005,730	5,405,663
Less: Extraordinary Items		-	-
IV Profit before Tax		4,005,730	5,405,663
Less: Tax Expenses			
Current Tax		980,000	1,400,000
Earlier years adjustments		(4,775)	(200,331)
		975,225	1,199,669
V Profit for the year		3,030,505	4,205,994
VI Earnings per Equity Share before/after Extra ordinary Items	20		
(Nominal Value of share Rs.10/- each)			
Basic		2.43	3.38
Diluted		2.43	3.38

Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of

KARNAVAT & CO.

Chartered Accountants

Firm Regn. No. 104863W

Viral Joshi

(Viral Joshi)

Partner

Membership No. 137686

Place: Mumbai

Date: 25 JUN 2013



For and on behalf of the Board of Directors

(L.K. Daga)
Director

(R. D. Bhatler)
Director


NILKANTH ENGINEERING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Amount in Rs.

PARTICULARS	2012-2013		2011-2012	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit / (loss) before Tax		4,005,730		5,405,663
Add/(Less) Adjustments for				
Depreciation		25,231		26,805
Provision for expenses		28,090		28,090
Provision for Standard Assets		(42,013)		78,750
Interest accrued on loan		(2,605,385)		-
Compensation Received		(990,000)		(922,500)
Expenses prepaid		(3,726)		-
Operating Profit before working capital changes		417,927		4,616,808
Trade and other receivables	19,727,854		19,793,991	
Trade and other payables	19,541	19,747,395	(22,060)	19,771,931
Cash flow from operations before tax paid		20,165,322		24,388,739
Less : Direct Taxes paid (net of refund)		979,987		87,700
Net Cash (used in) Operating Activities		19,185,335		24,301,039
B. CASH FLOW FROM INVESTING ACTIVITIES				
(Purchase)/Sale of Investments		(21,430,400)		(24,560,081)
Compensation Received		990,000		922,500
Net Cash flow from/(used in) Investing Activities		(20,440,400)		(23,637,581)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Net increase / (decrease) in Cash and Cash equivalent (A+B+C)		(1,255,065)		663,460
Cash and Cash equivalents as at April 1, 2012		1,582,691		919,231
Cash and Cash equivalents as at March 31, 2013		327,626		1,582,691

Notes:

1 Cash & Cash equivalents comprises of

i) Cash on hand

ii) Bank Balances in current account

iii) Cheque in Hand

Total

1,892

325,735

327,626

1,985

1,506,457

74,250

1,582,691

2 Direct tax Paid are treated as arising from operating activity and not bifurcated between Investment & Financing activity .

3 Previous year figures have been regrouped wherever necessary to confirm with current year groupings.

4 Figures in bracket denotes outflow.

As per our report of even date attached

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

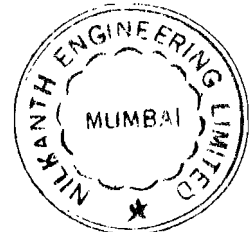
Viraj Joshi
(Viraj Joshi)
Partner
Membership No. 137686
Place : Mumbai
Date: 31 JUN 2013



For and on behalf of the Board of Directors

L.K. Daga
(L.K. Daga)
Director

R. D. Bhatler
(R. D. Bhatler)
Director



NILKANTH ENGINEERING LIMITED

Notes to Financial Statements for the year ended 31st March, 2013

1. Significant Accounting Policies

1.1 Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rule, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

1.2 Use of Estimates:

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

1.3 Tangible Fixed Assets

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

1.4 Depreciation/Amortisation on Fixed Assets

Depreciation on Fixed Assets has been provided on 'Written down Method' as per the rates specified in Scheduled XIV of the Companies Act, 1956.

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

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

1.5 Impairment of Tangible and Intangible Assets:

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

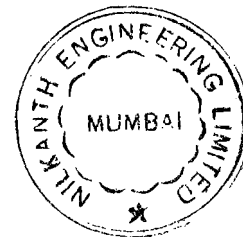
1.6 Investments:

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

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

In accordance with the Revised Schedule VI to the Companies Act, 1956, the portion of the Long Term Investments classified above, and expected to be realised within 12 months of the reporting date, have been classified as current investments.

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



1.7 Revenue Recognition

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

a) Interest

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

b) Dividend

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

c) Other Income

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

1.8 Income Taxes

Current Taxes

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

Deferred Taxes

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

1.9 Earnings Per Share

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

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

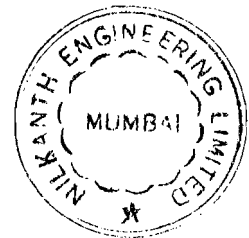
1.10 Provisions

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

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

1.11 Contingent Liabilities

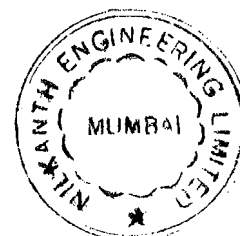
A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an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



NILKANTH ENGINEERING LIMITED

Notes to Financial Statements for the year ended 31st March, 2013

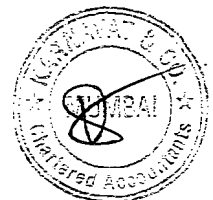
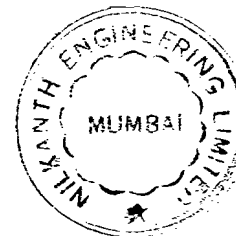
	<u>31-03-2013</u>	<u>31-03-2012</u>		
	Rs.	Rs.		
2. Share Capital				
Authorized Shares				
12,50,000 (31 March 2012: 12,50,000) Equity Shares of Rs. 10 each	12,500,000	12,500,000		
	12,500,000	12,500,000		
Issued, Subscribed and fully paid up Shares				
12,45,000 (31 March 2012: 12,45,000) Equity Shares of Rs. 10 each	12,450,000	12,450,000		
	12,450,000	12,450,000		
2.1 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period				
Equity Shares:	31-03-2013	31-03-2012		
	Nos.	Rs.	Nos.	Rs.
At the beginning of the period	1,245,000	12,450,000	1,245,000	12,450,000
Outstanding at the end of the period	1,245,000	12,450,000	1,245,000	12,450,000
2.2 Terms/Rights attached to equity shares:				
The company has only one class of equity share having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
During the year ended 31st March 2013, the amount of per share dividend recognized as distributions to equity shareholders was Rs. NIL (31st March 2012 Rs. NIL)				
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.				
2.3 Details of shareholders holding more than 5% share in the company				
	31-03-2013		31-03-2012	
	Nos.	%	Nos.	%
Equity Shares of Rs. 10/- each fully paid up				
Aakarshak Synthetics Limited	170,000	13.65%	170,000	13.65%
Anukool Trade & Finance Limited	91,500	7.35%	91,500	7.35%
Birla Group Holdings Private Limited	-	-	84,000	6.75%
Rutgers Investments And Trading Company Private Limited	112,000	9.00%	90,000	7.23%
Umang Commercial Company Limited	237,500	19.08%	237,500	19.08%
Sushree Trading Limited	122,000	9.80%	-	-
3. Reserve and Surplus			31-03-2013	31-03-2012
			Rs.	Rs.
Surplus in the statement of profit and loss				
Balance as per the last financial statements			24,036,271	20,671,475
Profit for the year:			3,030,505	4,205,994
Less: Appropriations				
Transfer to reserve fund under Section 45 I C(1) of Reserve Bank of India Act, 1934			606,101	841,199
Net surplus in the statement of profit and loss			26,460,675	24,036,271
Reserve Fund as per Section 45 I C(1) of Reserve Bank of India Act, 1934				
Balance as per the last financial statements			7,853,666	7,012,467
Add: Amount transferred from surplus balance in the statement of profit and loss			606,101	841,199
Closing Balance			8,459,767	7,853,666
Total Reserves and Surplus			34,920,442	31,889,937
4. Other Long Term Liabilities:				
Others payables				
Security Deposits			24,000,000	24,000,000
			24,000,000	24,000,000
5. Other Current Liabilities:				
Others payables				
Sundry Creditors for Expenses			30,337	25,281
TDS Payable			3,371	2,809
			33,708	28,090



NILKANTH ENGINEERING LIMITED

6. Tangible Assets

	Building	Plant & Equipments	Furniture & Fittings	Office Equipments	Total
Cost or Valuation					
At 1 April 2011	1,843,464	88,000	80,763	97,200	2,109,427
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March, 2012	1,843,464	88,000	80,763	97,200	2,109,427
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March, 2013	1,843,464	88,000	80,763	97,200	2,109,427
Depreciation					
At 1 April 2011	1,354,684	87,387	77,808	84,649	1,604,529
Charge for the year	24,439	85	535	1,746	26,805
Disposals	-	-	-	-	-
At 31 March, 2012	1,379,123	87,472	78,343	86,395	1,631,334
Charge for the year	23,217	73	438	1,503	25,231
Disposals	-	-	-	-	-
At 31 March, 2013	1,402,340	87,545	78,781	87,898	1,656,565
At 31 March, 2012	464,341	528	2,420	10,805	478,093
At 31 March, 2013	441,124	455	1,982	9,302	452,862



	31-03-2013 Rs.	31-03-2012 Rs.
7. Non Current Investments		
Non-trade Investments		
(valued at cost unless stated otherwise)		
7.1 Quoted		
Investment In Equity Shares		
70,100 (31 March 2012 - 70,100) Equity Shares of Rs.10/- each fully paid up of Heritage Housing Finance Limited	348,745	348,745
73,500 (31 March 2012 - 73,500) Equity Shares of Rs.5/- each fully paid up of Jayashree Tea & Industries Limited	2,514,083	2,514,083
35,000 (31 March 2012 - 35,000) Equity Shares of Rs.10/- each fully paid up of Mangalam Services Limited	1,508,770	1,508,770
122,200 (31 March 2012 - 122,200) Equity Shares of Rs.10/- each fully paid up of Mansoon Trading Company Limited	308,110	308,110
90,000 (31 March 2012 - 90,000) Equity Shares of Rs.10/- each fully paid up of Meenakshi Steel Industries Limited	212,570	212,570
	<u>4,892,278</u>	<u>4,892,278</u>
7.2 Unquoted		
Investment In Equity Shares		
1,270,000 (31 March 2012 - 120,000) Equity Shares of Rs.10/- each fully paid up of Aakarshak Synthetics Limited	11,741,200	241,200
573,900 (31 March 2012 - 192,500) Equity Shares of Rs.10/- each fully paid up of Jatayu Textiles & Industries Limited	18,370,553	3,841,120
267,300 (31 March 2012 - 267,300) Equity Shares of Rs.10/- each fully paid up of Manav Investment & Trading Company Limited	-	-
3,000 (31 March 2012 - 3,000) Equity Shares of Rs.10/- each fully paid up of Oslris Online Private Limited	30,075	30,075
40,000 (31 March 2012 - 40,000) Equity Shares of Rs.10/- each fully paid up of Rutgers Investment & Trading Company Private Limited	4,010,000	4,010,000
528,250 (31 March 2012 - 528,250) Equity Shares of Rs.10/- each fully paid up of Sushree Trading Limited	15,441,534	15,441,534
	<u>49,593,362</u>	<u>23,563,929</u>
	<u>54,485,640</u>	<u>28,456,207</u>

Aggregate amount of Quoted Investments Rs. 4,892,278/- (31 March 2012 Rs.4,892,278/-)
Aggregate Market Value of Quoted Investments Rs. 7,493,325/- (31 March 2012 Rs.7,658,700/-)
Aggregate amount of Unquoted Investments Rs. 49,593,362/- (31 March 2012 Rs.23,563,929/-)

	Non-Current		Current	
	31-03-2013 Rs.	31-03-2012 Rs.	31-03-2013 Rs.	31-03-2012 Rs.
8. Loans and Advances				
8.1 Prepaid Expenses	-	-	3,726	-
8.2 Income Tax Deposits (Net of Provisions)	42,924	38,162	-	-
8.3 Other Loans and Advances				
Inter Corporate Deposits (ICD's)	-	-	11,800,000	31,500,000
Advances recoverable in cash or kind (Unsecured, Considered good)	-	-	415,263	485,129
	<u>42,924</u>	<u>38,162</u>	<u>12,218,989</u>	<u>31,985,129</u>
Less: Statutory Provision on Standard Assets as per RBI directions	-	-	36,737	78,750
	<u>42,924</u>	<u>38,162</u>	<u>12,182,252</u>	<u>31,906,379</u>

Note :

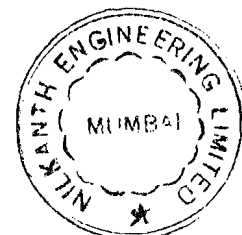
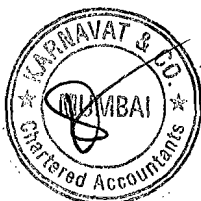
Income Tax Deposits is net of provision for tax includes :
Income Tax Deposits
Less : Provision for Income Tax

	31-03-2013 Rs.	31-03-2012 Rs.
Income Tax Deposits	2,809,964	2,935,202
Less : Provision for Income Tax	(2,767,040)	(2,897,040)
	<u>42,924</u>	<u>38,162</u>

9. Current Investments		
Non-trade Investments		
(valued at cost unless stated otherwise)		
In Mutual Fund Units		
5,790.303 (31 March 2012 - 33,012.258) Units of Birla Sun Life Cash plus -Growth Regular	1,002,734	5,601,767
1,126.431 (31 March 2012 - 1,126.431) Units of Birla Sun Life Cash plus -Retail - Growth	304,728	304,728
	<u>1,307,462</u>	<u>5,906,495</u>

Aggregate amount of Unquoted Investments Rs.1,307,462/- (31 March 2012 Rs. 5,906,495/-)

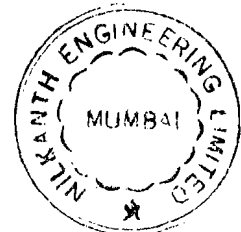
10. Cash and Bank Balances		
Cash and Cash equivalents		
Cash on hand	1,892	1,985
Cheques in Hand	-	74,250
Balance with banks:		
In Current Accounts	325,735	1,506,457
	<u>327,626</u>	<u>1,582,692</u>
11. Other Current Assets		
Unsecured, Considered good unless stated otherwise		
Interest accrued but not due on Loans	2,605,385	-
	<u>2,605,385</u>	-



NILKANTH ENGINEERING LIMITED

Notes to Financial Statements for the year ended 31 March, 2013

	31-03-2013	31-03-2012
	Rs.	Rs.
12. Revenue from Operations		
12.1 Interest Income		
Interest on Loans given	2,894,872	3,979,093
	<u>2,894,872</u>	<u>3,979,093</u>
12.4 Other Operating Income		
Dividend on Long Term Investments	487,800	487,800
Gain on sale of Current Investments	150,967	278,796
	<u>638,767</u>	<u>766,596</u>
	<u>3,533,639</u>	<u>4,745,689</u>
13. Other Income		
Rent Received	990,000	922,500
Interest on Income Tax refund	-	217,038
Excess Provision for Contingent Against Standard Asset written back	42,013	-
	<u>1,032,013</u>	<u>1,139,538</u>
14. Employee Benefit Expenses		
Salaries, Wages and Bonus	336,000	247,200
Medical Reimbursement	15,000	15,000
Leave Travel Allowance	48,000	-
	<u>399,000</u>	<u>262,200</u>
15. Depreciation and Amortization Expenses		
Depreciation on Tangible Assets	25,231	26,805
	<u>25,231</u>	<u>26,805</u>
16. Other Expenses		
Advertisement expenses	18,800	14,380
Bank charges	1,037	2,242
Demat Charges	674	811
Filing Fees	2,000	1,500
General Expenses	815	228
Insurance Charges	654	3,496
Legal and Professional Charges	8,750	15,318
Listing Fees	16,892	16,583
Postage	-	638
Professional Tax	-	2,500
Provision for standard asset	-	78,750
Directors' Sitting Fees	-	2,750
Payment to Auditor	86,068	51,363
	<u>135,691</u>	<u>190,559</u>
Payment to Auditor		
As Auditor		
Audit Fees	30,000	25,000
Reimbursement of Service Tax	3,708	3,090
In Other capacity		
Certification fees	23,708	23,273
Taxation	28,652	-
	<u>86,068</u>	<u>51,363</u>



NILKANTH ENGINEERING LIMITED**Notes to Financial Statements for the year ended 31st March, 2013****17. Gratuity and other post employment benefit plans (AS-15)**

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

18. Segment Information (AS - 17)

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

19. Related Party Disclosures (AS - 18)**Name of related parties and related party relationship:****a) Key Management Personnel :**

Lalit Kumar Daga	Director
Manish Newar	Director
R. D. Bhatler	Director

b) Related parties with whom transaction have taken place during the year:

Nature of Transactions	2012-13	2011-12
Directors Sitting Fees	-	2,750

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

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

Particulars	31st March 2013	31st March 2012
Net Profit/(Loss) after tax available for equity shareholders	3,030,505	4,205,994
Weighted average number of Equity Shares of Rs. 10/- each, fully paid up	1,245,000	1,245,000
Basic Earnings Per Share (In Rs.)	2.43	3.38
Nominal Value Per Share (In Rs.)	10.00	10.00

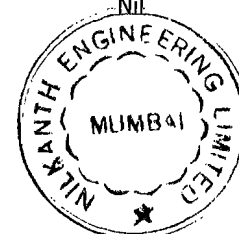
The Company does not have any dilutive potential equity shares. Consequently the basic and diluted earnings per share of the Company remain the same.

21. Due to the uncertainty in the future taxable income, the Company has not recognized Deferred Tax as per Accounting standard-22 "Accounting for Taxes On Income".**22. The Company believes that no impairment of assets arises during the year as per the recommendations of Accounting Standard - 28 Impairment of Assets, issued by the Institute of Chartered Accountants of India.****23. Additional Disclosures as required in terms of Paragraph 13 of NonBanking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 issued by Reserve Bank of India.**

Particulars (Rs.in lakhs)

Liabilities Side

1	Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:	Amount O/S	Amount Overdue
	a) Debentures:		
	Secured	Nil	Nil
	Unsecured	Nil	Nil
	(other than falling within the meaning of public deposits)		
	b) Deferred Credits	Nil	Nil
	c) Term Loans	Nil	Nil
	d) InterCorporate loans and borrowings	Nil	Nil
	e) Commercial Paper	Nil	Nil
	f) Other Loans (Specify nature)	Bank O/D	Nil
	Total	Nil	Nil

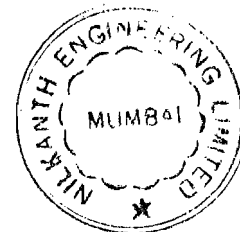


Assets Side

		Amount Outstanding
2	Breakup of Loans and Advances Including bills receivables (other than those included in (4) below):	
	a) Secured	Nil
	b) Unsecured	122.19
3	Breakup of Leased Assets and stock on hire and other assets counting towards AFC activities	
	i) Lease assets including lease rentals under sundry debtors:	
	a) Financial Lease	N.A
	b) Operating Lease	N.A
	ii) Stock on hire including hire charges under sundry debtors:	
	a) Assets on hire	N.A
	b) Repossessed Assets	N.A
	iii) Other loans counting towards AFC activities	
	a) Loans where assets have been repossessed	N.A
	b) Loans other than (a) above	N.A
4	Breakup of Investments:	
	Current Investments:	
	1. Quoted:	
	i) Shares: (a) Equity	Nil
	(b) Preference	Nil
	ii) Debentures and Bonds	
	iii) Units of mutual funds	Nil
	iv) Government Securities	Nil
	v) Others (please specify)	Nil
	- Certificate of Deposits	
	2. Unquoted:	
	i) Shares: (a) Equity	Nil
	(b) Preference	Nil
	ii) Debentures and Bonds	Nil
	iii) Units of mutual funds	13.07
	iv) Government Securities	Nil
	v) Others (please specify)	Nil
	Long Term investments:	
	1. Quoted:	
	i) Shares: (a) Equity	48.92
	(b) Preference	Nil
	ii) Debentures and Bonds	Nil
	iii) Units of mutual funds	Nil
	iv) Government Securities	Nil
	v) Others (please specify)	Nil
	2. Unquoted:	
	i) Shares: (a) Equity	495.93
	(b) Preference	Nil
	ii) Debentures and Bonds	Nil
	iii) Units of mutual funds	Nil
	iv) Government Securities	Nil
	v) Others (please specify)	Nil

5 Borrower groupwise classification of assets financed as in (2) and (3) above:

Category	Amount net of Provisions		
	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
1. Related Parties			
a) Subsidiaries	Nil	Nil	Nil
b) Companies in the same group	Nil	Nil	Nil
c) Other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	122.19	122.19
Total	Nil	122.19	122.19



- 6 Investor groupwise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
a) Subsidiaries	-	-
b) Companies in the same group	-	-
c) Other related parties	-	-
2. Other than related parties	583.94	557.93
Total	583.94	557.93
7 Other Information		
i) Gross NonPerforming Assets		
a) Related Parties	Nil	Nil
b) Other than related parties	Nil	Nil
ii) Net NonPerforming Assets		
a) Related Parties	Nil	Nil
b) Other than related parties	Nil	Nil
iii) Assets acquired in satisfaction of debt	Nil	Nil

24. 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.

25. 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.
26. In the opinion of the Board, the Current Assets, Loans & Advances are realizable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
27. a) Figures of the previous year have been re-grouped and re-classified wherever necessary to correspond with the figure of the current period.
- b) Figures have been rounded off to nearest rupee.

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

Voshi: Viral R.
(Viral Joshi)
Partner
Membership No. 137686
Place: Mumbai
Date:

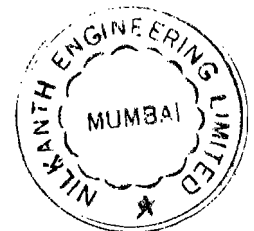


25 JUN 2013

For and on behalf of the Board of Directors

(L.K. Daga)
(L.K. Daga)
Director

(R. D. Bhatler)
(R. D. Bhatler)
Director



NILKANTH ENGINEERING LIMITED

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

"FORM A"

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	Nilkanth Engineering Limited
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	NA
5.	To be signed by – Mr. Lalit Kumar Daga <i>(Director)</i>	