

NILKANTH ENGINEERING LIMITED

CIN NO: L27300MH1983PLC029360

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

Tel.: 2206 2108, Email : nilkanthengineeringltd@gmail.com

Website : www.nilkanthengineering.co.in

Date: 3rd November, 2016

Department of Corporate Services
Listing Department
BSE Limited,
P J Towers, Dalal Street,
Mumbai-400001

Dear Sir/Madam,

Sub: Annual Report for the Financial Year 2015-16

Ref: Company Code No.512004

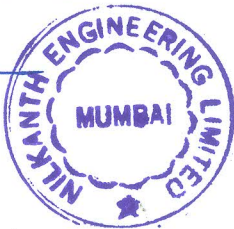
Pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015, please find enclosed a copy of the annual report for the year 2015-16. The soft copy of the annual report for the year 2015-16 has been submitted at listing.bseindia.com.

Please take the same on your record.

Thanking You,

Yours Faithfully,
For Nilkanth Engineering Limited

G. M. Loyalka
Director
DIN: 00299416



**Compliance under Regulation 33(d) of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulation, 2015**

NILKANTH ENGINEERING LIMITED

FORM A (for Audit Report on Standalone Financial Statements with Unmodified Opinion)

1	Name of the Company	Nilkanth Engineering Limited
2	Annual Financial statements for the year ended	31 st March, 2016
3	Type of Audit Observation:	Unmodified – Standalone Financial Statements
4	Frequency of observation	Not Applicable
5	To be signed by CEO/Managing Director/CFO/Auditor of the Company/Audit Committee Chairman	<p>For Nilkanth Engineering Ltd</p> <p></p> <p>Gangaprasad Loyalka Director</p>
		<p></p> <p>Viral Joshi Partner Membership No. 137686 KARNAVAT & CO. Chartered Accountants Firm Regn No. 104863W</p>

Place: Mumbai
Date: 30.05.2016

NILKANTH ENGINEERING LIMITED

33rd ANNUAL REPORT

FINANCIAL YEAR – 2015-16

NILKANTH ENGINEERING LIMITED

CIN NO: L27300MH1983PLC029360

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

Telephone No. : 2206 2108, Website: www.nilkanthengineering.co.in

Email: nilkanthengineeringltd@gmail.com

DIRECTORS REPORT

To,
The Members,

The Directors of your Company are pleased to present their Thirty Third Annual Report and the Audited Financial Statements of Nilkanth Engineering Limited for the financial year ended 31st March, 2016.

FINANCIAL PERFORMANCE

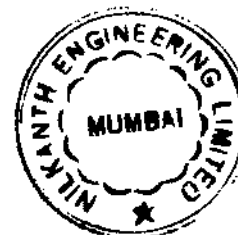
The Standalone and Consolidated financial performance of the Company, for the financial year ended on 31st March, 2016 is summarized below:

(Amount in Rs.)

	Standalone	
PARTICULARS	Year Ended 31st March, 2016 Rs.	Year Ended 31st March, 2015 Rs.
Income	28,36,001	25,44,578
Expenditure	15,85,743	8,89,235
Profit / (Loss) before Tax	12,50,258	16,55,343
Less : Tax Expense		
Current Tax	4,50,000	2,90,000
Income Tax for earlier years	19,380	(2,853)
Profit / (Loss) after Tax	7,80,878	13,68,196

PERFORMANCE REVIEW

During the year under review, the Company has earned a Net Profit After Tax of Rs 7,80,878/- (Previous Year Net Profit After Tax of Rs. 13,68,196/-). Your Directors are hopeful of achieving better performance in the current year.



FINANCE

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

DIVIDEND

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

TRANSFER TO RESERVES

During the Financial Year 2015-16 the Company has transferred Rs. 1,56,176/- (Previous Year Rs.2,73,639/-) to Reserve Fund under RBI Act, 1934 out of the Surplus available in the Statement of Profit & Loss. Apart from the above no amount was transferred and/ or required to be transferred to the reserves during the financial year ended 31st March, 2016.

PUBLIC DEPOSIT

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

SHARE CAPITAL

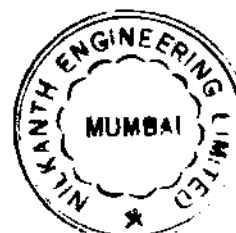
The Authorised Share Capital as on 31st March, 2016 was Rs.1,25,00,000 /-(Rupees One Crores Twenty Five Lakhs Only) divided into 12,50,000 Equity Shares of Rs. 10/- each.

There has been no change in the Share Capital of the Company during the financial year 2015-16.

The Issued Share Capital as on 31st March, 2016 was Rs 1,24,50,000/- (Rupees One Crore Twenty Four Lac Fifty Thousand Only) divided into 12,45,000 Equity Shares of Rs. 10/- each.

SUBSIDIARY

As at the end of the year under review i.e. on 31st March, 2016 and also as on the date of this report, your Company does not have any subsidiary.



EXTRACT OF ANNUAL RETURN

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

PARTICULARS OF EMPLOYEES

During the year, there has been no employee in receipt of remuneration in excess of the amounts mentioned in the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

RELATED PARTIES

During the year the Company had not entered into any transaction as enumerated in section 188 of the Companies Act, 2013 and Rule made thereunder with its related party as defined in 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.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company has a well defined risk management framework in place. Further, the elements of risk threatening the Company's existence are very minimal.

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

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts for the year ended 31 March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;



- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2016 and of the profit of the Company for year ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the Annual Accounts on a 'going concern basis';
- v) the Directors have laid down internal financial controls and that such internal financial controls are adequate and are operating effectively; and
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statements of your Company for the Financial Year 2015-16, is prepared in compliance with the applicable provisions of the Companies Act, 2013, Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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.

CORPORATE SOCIAL RESPONSIBILITY

The requirement as per Section 135 of the Companies Act, read with relevant Rules, disclosures to include an annual report on CSR activities containing the particulars specified in the Rules are not attached hereto as this is not applicable on the Company.

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

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

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



STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Pursuant to sub-section (3) of Section 129 of the Act, the statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint ventures is attached to this Report and forms part of it as Annexure II.

The company does not have any subsidiary. Further, brief about the business of the four associates is given hereunder:-

1. Aakarshak Synthetics Limited (Associate)

Aakarshak Synthetics Limited ("Aakarshak") is registered with the Reserve Bank of India (RBI) as a Non Banking Financial Company (NBFC) in the category of a company not accepting / holding public deposits.

The total revenue of Aakarshak during the F.Y. 2015-16 was Rs.385.59 Lac and Loss after tax was Rs.10.24 Lac.

2. Jatayu Textiles & Industries Limited (Associate)

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

The total revenue of Jatayu during the F.Y. 2015-16 was Rs.34.84 Lac and Net Profit after tax was Rs.23.16 Lac.

3. Osiris Online Private Limited (Associate)

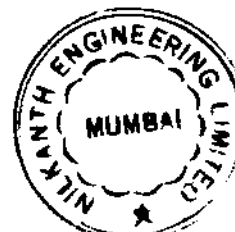
Osiris Online Private Limited ("Osiris") has a paid up capital of Rs.66,00,000/-. It does not have any substantial business.

The total revenue of Osiris during the F.Y. 2015-16 was Rs.0.37 Lac and Net Profit after tax was Rs.0.11 Lac.

4. Sushree Trading Limited (Associate)

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

The total revenue of Sushree during the F.Y. 2015-16 was Rs. 31.96 Lac and Net Profit after tax was Rs.13.43 Lac.



DIRECTORS

During the year there was no change in the directorship of the Company.

Mr G.M.Loyalka (holding DIN: 00299416) retire by rotation from the Board and being eligible offer himself for re-appointment.

ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Independent Directors of the Company met during the year and have made an evaluation of the performance of the Board of Directors, all the Committees of the Board of Directors as also all the individual Directors. The performance was found to be satisfactory.

DECLARATION OF INDEPENDENCE

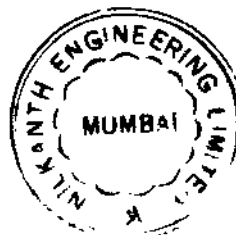
The Company has received Declarations of Independence as stipulated under Section 149(7) of the Companies Act, 2013 from each of the Independent Directors confirming that he/she is not disqualified from appointing/continuing as an Independent Director.

BOARD MEETINGS

During the year under review, six meetings of the Board of Directors of the Company were held i.e.13.05.2015, 30.06.2015, 14.08.2015, 04.09.2015, 26.10.2015 and 28.01.2016. The intervening gap between the meetings was within the period prescribed under the provisions of the Companies Act, 2013.

STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

In the last AGM held on September 30, 2015, M/s Karnavat & Co., Chartered Accountants, Mumbai have been appointed as Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting till the conclusion of the next Annual General Meeting of the Company. It is now proposed to reappoint M/s Karnavat & Co., Chartered Accountants, Mumbai, as the Statutory Auditors of the Company to hold office from the conclusion of the this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration (including reimbursement of out of pocket expenses) as may be decided by the Board of Directors of the Company in consultation with Karnavat & Co.



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

SECRETARIAL AUDITOR

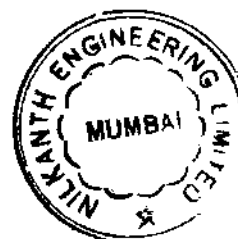
Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder the Company has appointed, M/s Dilip Bharadiya & Associates, Company Secretaries in Practice having Membership Number 7956 to undertake the secretarial audit of the Company. Secretarial Audit Report for the year 2015-16 as issued by him in the prescribed form MR-3 is annexed to this Report as **Annexure III**. The said Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by secretarial auditor.

COST AUDIT

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

OTHER DISCLOSURES

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



APPRECIATION

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

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



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

Rajashree Tapuriah
Rajashree Tapuriah
Director
(DIN: 01655859)

Place : Mumbai
Date : 01.09.2016

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016
of

NILKANTH ENGINEERING LIMITED

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

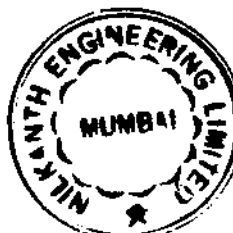
I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L27300MH1983PLC029360
ii) Registration Date: 21.02.1983
iii) Name of the Company: Nilkanth Engineering Limited
iv) Category / Sub-Category of the Company: Company having Share Capital
v) Address of the Registered Office and contact details: 407, Kalbadevi Road, 3rd Floor, Daulat Bhavan, Mumbai – 400 002
vi) Whether listed company Yes
vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any: Adroit Corporate Services Private Limited
19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400059.
Tel. No.:- 022-42270400.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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



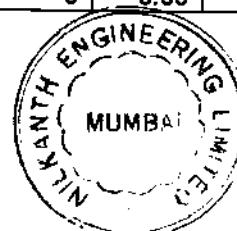
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Aakarshak Synthetics Limited	U18101MH1987PLC134933	Associate	26.46	Section 2(6)
2	Jatayu Textiles & Industries Limited	U17120MH1983PLC029380	Associate	28.81	Section 2(6)
3	Osiris Online Private Limited	U72200MH2008PTC182281	Associate	30.00	Section 2(6)
4.	Sushree Trading Limited	U51900MH1983PLC029599	Associate	42.43	Section 2(6)

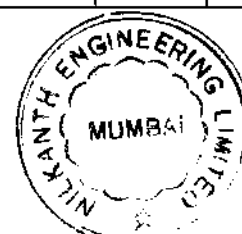
IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

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



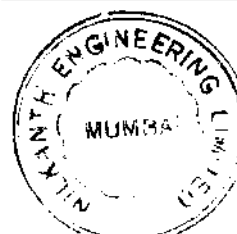
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0
d) Banks/Fl	0	0	0	0.00	0	0	0	0.00	0
e) Any other...	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	0	745000	745000	59.84	0	745000	745000	59.84	0
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0
b) Banks/Fl	0	0	0	0.00	0	0	0	0.00	0
C) Central govt	0	0	0	0.00	0	0	0	0.00	0
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g) FIIS	0	0	0	0.00	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL (B)(1):	0	0	0	0.00	0	0	0	0.00	0
(2) Non Institutions									
a) Bodies corporates	0	488000	488000	39.20	488000	488000	39.20	0.00	0
i) Indian									
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	0	12000	12000	0.96	0	12000	12000	0.96	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0.00	0	0	0	0.00	0
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL (B)(2):	0	500000	50000	40.16	0	500000	50000	40.16	0



Total Public Shareholding (B)= (B)(1)+(B)(2)	0	500000	50000	40.16	0	500000	50000	40.16	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0
Grand Total (A+B+C)	0	1245000	1245000	100	0	1245000	1245000	100	0

(ii) Shareholding of Promoters

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



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

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

Sr.No	For Each of the Top 10 Shareholders	Date of Change	Shareholdings at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Aakarshak Synthetics Limited	No Change	170000	13.65	170000	13.65
2	Kajal Synthetics And Silk Mills Limited	No Change	206000	16.55	206000	16.55
3	Rutgers Investment And Trading Co. Pvt. Ltd.	No Change	112000	9.00	112000	9.00
4	Rajeev Garg	No Change	700	0.05	700	0.05
5	Umadevi Rathi	No Change	100	0.01	100	0.01
6	R.Swaminathan	No Change	100	0.01	100	0.01
7	Swati Agarwal	No Change	200	0.01	200	0.01
8	Vivek Pendharkar	No Change	200	0.01	200	0.01
9	Manish Agarwal	No Change	200	0.01	200	0.01
10	Sunil Kulwal	No Change	100	0.01	100	0.01

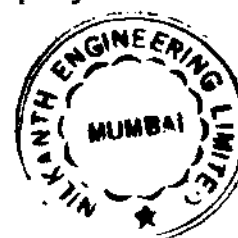
(v) **Shareholding of Directors and Key Managerial Personnel:** Nil

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

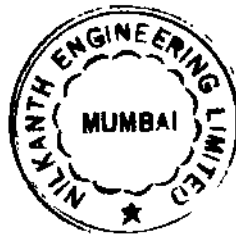
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:
Not Applicable since there is no MD / WTD / Manager in the Company



B. Remuneration to other directors: Nil

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD – Not Applicable since there is no Key Managerial Personnel other than MD/Manager/WTD

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil



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

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

Rajashree Tapuria
Rajashree Tapuria
Director
(DIN: 01655859)

Place : Mumbai
Date : 01.09.2016

Annexure II

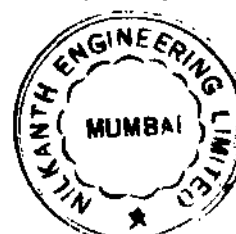
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

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	

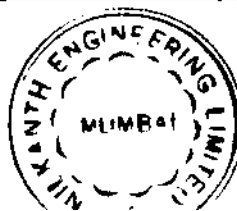
The following information shall be furnished:-

- Names of subsidiaries which are yet to commence operations : Nil**
- Names of subsidiaries which have been liquidated or sold during the year:Nil**



Part "B": Associates and Joint Ventures

Name of Associates/Joint Ventures	Aakrshak Synthetics Limited	Jatayu Textiles & Industries Limited	Osiris Online Private Limited	Sushree Trading Limited
1. Latest audited Balance Sheet Date	31.03.2016	31.03.2016	31.03.2016	31.03.2016
2. Date on which the associate or Joint Veeature was associated or acquired	26.03.2013	31.10.2012	26.02.2010	31.12.2011
3. Shares of Associate/Joint Ventures held by the company on the year end				
No.	1270000	573900	3000	528250
Amount of Investment in Associates/Joint Venture	1,17,41,200/-	1,83,70,553/-	30,075/-	1,54,41,534/-
Extend of Holding %	26.46%	28.81%	30.00%	42.43%
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.	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	N.A
6. Networth attributable to Shareholding as per latest audited Balance Sheet	50,06,619/-	2,24,17,505/-	19,56,240/-	4,56,99,355/-
7. Profit / Loss for the year	(10,23,711/-)	23,15,753/-	11,103/-	13,42,831/-
i. Considered in Consolidation	(2,70,857/-)	6,67,168/-	3,331/-	5,69,763/-
ii. Not Considered in Consolidation	(7,52,854/-)	16,48,585/-	11,103/-	7,73,068/-



The following information shall be furnished:-

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

Date : 01.09.2016
Place : Mumbai



Nilkanth Engineering Limited

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

Rajshree Tapuriah
Rajshree Tapuriah
Director
(DIN: 01655859)

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Nilkanth Engineering Limited
407 Kalbadevi Road,
Daulat Bhavan, 3rd Floor,
Mumbai -400002

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by Nilkanth Engineering Limited (hereinafter called "the Company") for the audit period covering the financial year ended on March 31, 2016. 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, 2016, 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 the 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 Annexure I, for the financial year ended on March 31, 2016, 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;
 - (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;

Contd .. 2



::2::

- (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;
 - (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;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
2. I have relied on the representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.
3. I have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with the Stock Exchange. During the year under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. as mentioned above. The Company is in the process of appointing the Key Managerial Personnel. During the period under review, provisions of the following regulations were not applicable to the Company :
- (i) The Securities And Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - (ii) The Securities And Exchange Board of India (Buyback of Securities) Regulations, 1998
 - (iii) Secretarial Standards issued by The Institute of Company Secretaries of India (since not approved by the Central Government).

I further report that -

The Board of Directors of the Company is duly constituted with five Directors including Woman Director/ Independent Director.

Adequate notice is given to all the 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.

All resolutions/decisions at the Board and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committee.

Contd .. 3



::3::

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 except as mentioned above.

I further report that during the audit year there were no instances of:

- (i) Public issue of Equity Shares & Equity Warrants / Sweat Equity
- (ii) Buy-back of securities
- (iii) Merger / Amalgamation / Reconstruction, etc.
- (iv) Foreign Technical Collaborations

Place : Mumbai

Date : September 01, 2016


DILIP BHARADIYA

Proprietor
DILIP BHARADIYA & ASSOCIATES
FCS No.: 7956, C P No.: 6740



ANNEXURE - I

List of documents verified:

1. Memorandum & Articles of Association of the Company
2. Annual Report for the financial years ended March 31, 2015 and March 31, 2016
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee along with Attendance Register held during the financial year under report
4. Minutes of General Body Meetings held during the financial year under report
5. Statutory Registers
6. Agenda papers provided to all the Directors / Members for the Board Meetings and Committee Meetings
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 299 of the Companies Act, 1956 and 184 of the Companies Act, 2013
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report



NILKANTH ENGINEERING LIMITED

STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2016

KARNAVAT & CO.

CHARTERED ACCOUNTANTS

2A, KITAB MAHAL, 1ST FLOOR, 192, DR. D. N. ROAD,
MUMBAI - 400001

TELEPHONE NO. +9122 4066 6666 (10 LINES)

FAX NO. +9122 4066 6660

Email: karnavataudit@gmail.com

karnavattax@gmail.com

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
NILKANTH ENGINEERING LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **NILKANTH ENGINEERING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

(cont...2)

* 2 *

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

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

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- 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, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us,, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2. As required by section 143(3) of the Act, we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;

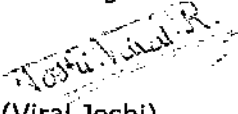
(cont...3)

* 3 *

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

192, Dr. D. N. Road
Mumbai - 400001
Dated: May 30, 2016

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


(Viraj 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, 2016. We report that:-

i. In respect of its fixed assets:

- (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of fixed assets which is, in our opinion, reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) As per the information and explanation given to us by the management, the title deeds of the immovable properties as disclosed in fixed assets (Note No.7 to the financial statements) are held in the name of the Company.

ii. In respect of its inventories:

The Company does not hold any inventory. Accordingly, the provisions of Clause 3(ii) of the Order are not applicable to the Company.

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

(Cont...2)

* 2 *

- vii. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax or cess and other statutory dues applicable to it. No undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax or cess and other statutory dues were outstanding, as at 31-03-2016, for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and information and explanations given to us no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess that have not been deposited on account of any disputes.
- viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and bank.
- ix. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans and hence provisions of Clause 3(ix) of the aforesaid Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. The Company has not paid/provided any managerial remuneration in the current year and hence provisions of Clause 3(xi) of the aforesaid Order are not applicable to the Company.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company and hence provisions of Clause 3(xii) of the aforesaid Order are not applicable to the Company.
- xiii. Based on our audit procedures and according to the information and explanations given to us by the management, the Company has not entered into any transaction with the related parties as referred in the provisions of the Section 177 and 188 of the Act and hence provisions of Clause 3(xiii) of the aforesaid Order are not applicable to the Company.

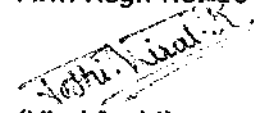
(Cont...3)

* 3 *

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

192, Dr. D. N. Road
Mumbai - 400001
Dated: May 30, 2016

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


(Viral Joshi)
Partner
Membership No. 137686

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

The Annexure referred to in paragraph 2(f) under the 'Report on Other Legal and Regulatory Requirements' our report to the members of NILKANTH ENGINEERING LIMITED, ('the Company') for the year ended on March 31, 2016.

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, 2016 in conjunction with our audit of the financial statements of the Company for the year then ended on that date.

Management's Responsibility for the Internal Financial Controls

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

Auditor's Responsibility

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

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

(Cont. 2)

* 2 *

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material aspects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

192, Dr. D. N. Road
Mumbai - 400001
Dated: May 30, 2016

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

(Viral Joshi)
Partner
Membership No. 137686

NILKANTH ENGINEERING LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2016

	Notes	As at 31-03-2016	As at 31-03-2015
I	<u>EQUITY AND LIABILITIES</u>		
1	<u>Shareholders' Fund</u>		
Share Capital	2	1,24,50,000	1,24,50,000
Reserves and Surplus	3	3,90,57,835	3,82,76,957
		<u>5,15,07,835</u>	<u>5,07,26,957</u>
2	<u>Non-Current Liabilities</u>		
Other Long Term Liabilities	4	15,00,00,000	15,00,00,000
3	<u>Current Liabilities</u>		
Other Current Liabilities	5	82,800	45,600
Short Term Provisions	6	42,161	-
Total		<u>20,16,32,796</u>	<u>20,07,72,557</u>
II	<u>ASSETS</u>		
1	<u>Non Current Assets</u>		
Fixed Assets			
Tangible Assets	7	13,11,90,765	3,99,087
Capital Work in Progress		-	12,61,74,971
		<u>13,11,90,765</u>	<u>12,65,74,058</u>
Non Current Investments	8	5,26,28,125	5,44,85,640
Long Term Loans and Advances	9	4,20,200	46,634
		<u>5,30,48,325</u>	<u>5,45,32,274</u>
2	<u>Current Assets</u>		
Current Investments	10	-	15,58,403
Cash and Bank Balances	11	3,00,411	2,88,551
Short Term Loans and Advances	12	1,56,96,812	1,77,47,591
Other Current Assets	13	13,96,483	71,680
		<u>1,73,93,706</u>	<u>1,96,66,225</u>
Total		<u>20,16,32,796</u>	<u>20,07,72,557</u>

Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements

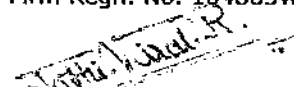
As per our report of even date attached

For and on behalf of

KARNAVAT & CO.

Chartered Accountants

Firm Regn. No. 104863W



(Viral Joshi)

Partner

Membership No. 137686

Place: Mumbai

Date: 30 MAY 2016

For and on behalf of the Board of Directors


 (G.M. Loyalka)

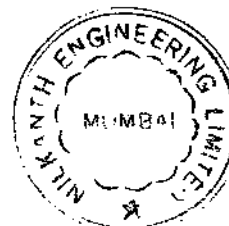
Director

DIN : 00299416


 (R. D. Bhattar)

Director

DIN : 00288162



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

	Notes	Year ended 31-03-2016	Year ended 31-03-2015
I INCOME			
Revenue from Operations	14	17,29,001	13,76,523
Other Income	15	11,07,000	11,68,055
Total Revenue		28,36,001	25,44,578
II EXPENSES			
Employee Benefit Expenses	16	6,69,000	6,09,000
Depreciation and Amortization Expenses	17	1,89,857	19,980
Other Expenses	18	7,26,886	2,60,255
Total Expenses		15,85,743	8,89,235
III Profit before Tax		12,50,258	16,55,343
Less: Tax Expenses			
Current Tax		4,50,000	2,90,000
Earlier years adjustments		19,380	(2,853)
		4,69,380	2,87,147
IV Profit for the period		7,80,878	13,68,196
V Earnings per Equity Share before/after Extra ordinary Items	22		
Basic		0.63	1.10
Diluted		0.63	1.10

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: 30 MAY 2016

For and on behalf of the Board of Directors

(G.M. Loyalka)

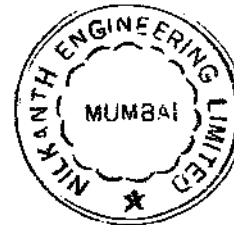
Director

DIN : 00299416

(R. D. Bhatner)

Director

DIN : 00288162



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

PARTICULARS	2015-2016	2014-2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before Tax	12,50,258	16,55,343
Add/(Less) Adjustments for		
Depreciation	1,89,857	19,980
Provision for expenses	77,800	44,944
Provision for Standard Assets	8,093	42,679
Interest accrued on loan	13,96,483	(71,680)
Compensation Received	(11,07,000)	(10,80,000)
Dividend Received	(73,500)	(1,47,000)
Profit on sale of Investments	(81,816)	(5,17,049)
Expenses prepaid	(27,447)	(22,510)
Operating Profit before working capital changes	16,32,728	(75,293)
Adjustment for Working Capital Changes:		
Trade and other receivables	(10,24,719)	4,73,28,204
Trade and other payables	(87,234)	(40,345)
Cash flow from operations before tax paid	5,20,775	4,72,12,566
Less : Direct Taxes paid (net of refund)	3,80,585	3,09,901
Net Cash generated from / (used in) Operating Activities	1,40,190	4,69,02,665
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Investments	34,97,734	(9,00,000)
Amount spent on Capital Work in Progress	(47,02,364)	(7,91,36,888)
Fixed Assets Purchased	(1,04,200)	-
Dividend Received	73,500	1,47,000
Compensation Received	11,07,000	10,80,000
Net Cash flow generated from / (used in) Investing Activities	(1,28,330)	(7,88,09,888)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Security Deposits Received	-	3,00,00,000
Net Cash flow generated from / (used in) Financing Activities	-	3,00,00,000
Net increase / (decrease) in Cash and Cash equivalent (A+B+C)	11,860	(19,07,223)
Cash and Cash equivalents as at April 1	2,88,551	21,95,774
Cash and Cash equivalents as at March 31	3,00,411	2,88,551

Notes:

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

	31-03-2016	31-03-2015
	1,654	2,061
	2,75,719	2,86,490
	23,038	-
Total	3,00,411	2,88,551

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

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

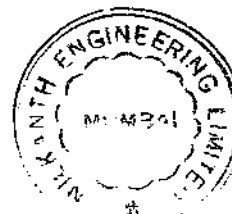
(Viral Joshi)
Partner
Membership No. 137686
Place : Mumbai
Date:

30 MAY 2016

For and on behalf of the Board of Directors

(G.M. Loyalka)
Director
DIN : 00299416

(R. D. Bhattar)
Director
DIN : 00288162



NILKANTH ENGINEERING LIMITED

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

1. Significant Accounting Policies

1.1 Basis of preparation

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

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

1.2 Use of Estimates:

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

1.3 Revenue Recognition

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

a) Interest

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

b) Dividend

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

c) Other Income

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

1.4 Tangible Fixed Assets

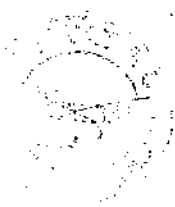
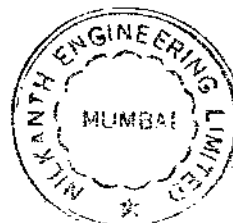
All fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost includes all incidental expenses related to acquisition.

1.5 Depreciation/Amortisation on Fixed Assets

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

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

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



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

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

1.7 **Investments:**

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

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

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

1.8 **Earnings Per Share**

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

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

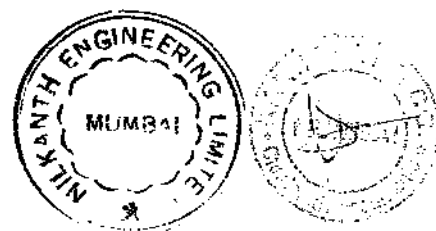
1.9 **Income Taxes**

Current Taxes

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

Deferred Taxes

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



1.10 Provisions

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

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

1.11 Contingent Liabilities

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



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

	31-03-2016 Rs.	31-03-2015 Rs.
2. Share Capital		
Authorized Shares		
12,50,000 (31 March 2015: 12,50,000) Equity Shares of Rs. 10 each	1,25,00,000	1,25,00,000
	1,25,00,000	1,25,00,000
Issued, Subscribed and fully paid up Shares		
12,45,000 (31 March 2015: 12,45,000) Equity Shares of Rs. 10 each	1,24,50,000	1,24,50,000
Total	1,24,50,000	1,24,50,000

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

	31-03-2016		31-03-2015	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the year	12,45,000	1,24,50,000	12,45,000	1,24,50,000
Outstanding at the end of the year	12,45,000	1,24,50,000	12,45,000	1,24,50,000

2.2 Terms/Rights attached to equity shares:

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

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

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

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

	31-03-2016		31-03-2015	
	Nos.	%	Nos.	%
Equity Shares of Rs. 10/- each fully paid up				
Aakarshak Synthetics Limited	1,70,000	13.65%	1,70,000	13.65%
Rutgers Investments And Trading Company Private Limited	1,12,000	9.00%	1,12,000	9.00%
Sushree Trading Limited	6,22,000	49.96%	6,22,000	49.96%
Kajal Synthetics & Silk Mills Limited	2,06,000	16.55%	2,06,000	16.55%

3. Reserve and Surplus

	31-03-2016 Rs.	31-03-2015 Rs.
Surplus in the Statement of Profit and Loss		
Balance as per the last financial statements	2,91,43,883	2,80,59,349
Profit for the year:	7,80,878	13,68,196
Less: Appropriations		
Adjustment on account of Depreciation as per Schedule II of Companies Act, 2013	-	10,023
Transfer to reserve fund under Section 45 I C(1) of Reserve Bank of India Act, 1934	1,56,176	2,73,639
Net surplus in the Statement of Profit and Loss	2,97,68,585	2,91,43,883

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

Balance as per the last financial statements	91,33,074	88,59,435
Add: Amount transferred from surplus balance in the statement of profit and loss	1,56,176	2,73,639
Closing Balance	92,89,250	91,33,074
Total Reserves and Surplus	3,90,57,835	3,82,76,957

4. Other Long Term Liabilities:

Others payables		
Security Deposits	15,00,00,000	15,00,00,000
Total	15,00,00,000	15,00,00,000

5. Other Current Liabilities:

Others payables		
Expenses Payable	77,800	41,600
TDS Payable	5,000	4,000
Total	82,800	45,600

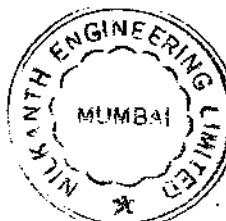
6. Short Term Provisions:

Provision for Tax (Net of Income Tax Deposits)	42,161	-
Total	42,161	-

Note :

Income Tax Deposits is net of provision for tax includes :

	31-03-2016 Rs.	31-03-2015 Rs.
Provision for Income Tax	9,85,000	10,10,000
Less: Income Tax Deposits	9,42,839	10,56,634
	42,161	(46,634)



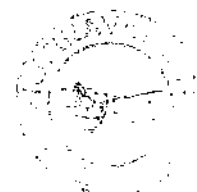
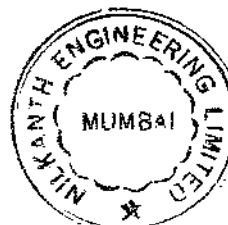
NILKANTH ENGINEERING LIMITED
7. Tangible Assets

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



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

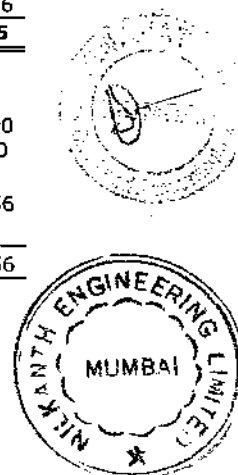
		31-03-2016 Rs.	31-03-2015 Rs.
8. Non Current Investments			
Non-trade Investments			
(valued at cost unless stated otherwise)			
8.1 Quoted			
Investment in Equity Shares			
73,500 (31 March 2015 - 73,500) Equity Shares of Rs.5/- each fully paid up of Jayashree Tea & Industries Limited		25,14,083	25,14,083
122,200 (31 March 2015 - 122,200) Equity Shares of Rs.10/- each fully paid up of Mansoon Trading Company Limited		3,08,110	3,08,110
90,000 (31 March 2015 - 90,000) Equity Shares of Rs.10/- each fully paid up of Meenakshi Steel Industries Limited		2,12,570	2,12,570
		<u>30,34,763</u>	<u>30,34,763</u>
8.2 Unquoted			
Investment in Equity Shares			
1,270,000 (31 March 2015 - 1,270,000) Equity Shares of Rs.10/- each fully paid up of Aakarshak Synthetics Limited		1,17,41,200	1,17,41,200
573,900 (31 March 2015 - 573,900) Equity Shares of Rs.10/- each fully paid up of Jatayu Textiles & Industries Limited		1,83,70,553	1,83,70,553
267,300 (31 March 2015 - 267,300) Equity Shares of Rs.10/- each fully paid up of Manav Investment & Trading Company Limited		-	-
3,000 (31 March 2015 - 3,000) Equity Shares of Rs.10/- each fully paid up of Osiris Online Private Limited		30,075	30,075
40,000 (31 March 2015 - 40,000) Equity Shares of Rs.10/- each fully paid up of Rutgers Investment & Trading Company Private Limited		40,10,000	40,10,000
528,250 (31 March 2015 - 528,250) Equity Shares of Rs.10/- each fully paid up of Sushree Trading Limited		1,54,41,534	1,54,41,534
Nil (31 March 2015 - 5,563) Equity Shares of Rs.10/- each fully paid up of Umang Commercial Company Limited		-	18,57,515
		<u>4,95,93,362</u>	<u>5,14,50,877</u>
Total		<u>5,26,28,125</u>	<u>5,44,85,640</u>
Aggregate amount of Quoted investments		30,34,763	30,34,763
Aggregate Market Value of Quoted Investments		64,84,835	57,68,210
Aggregate amount of Unquoted investments		4,95,93,362	5,14,50,877
9. Long Term Loans and Advances			
9.1 Deposits		4,20,200	-
9.2 Income Tax Deposits (Net of Provisions)		-	46,634
Total	Total	<u>4,20,200</u>	<u>46,634</u>
10. Current Investments			
Non-trade Investments, Unquoted			
(valued at cost unless stated otherwise)			
In Mutual Fund Units			
Nil (31 March 2015 - 790.975) Units of Birla Sun Life Cash plus -Growth Regular Plan		-	15,58,403
	Total	<u>-</u>	<u>15,58,403</u>
Aggregate amount of Unquoted investments		-	15,58,403
11. Cash and Bank Balances			
Cash and Cash equivalents			
Cash on hand		1,654	2,061
Cheques in Hand		23,038	-
Balance with banks:			
In Current Accounts		2,75,719	2,86,490
	Total	<u>3,00,411</u>	<u>2,88,551</u>
12. Short Term Loans and Advances			
12.1 Prepaid Expenses		27,447	22,510
12.2 Other Loans and Advances			
Inter Corporate Deposits (ICD's)		1,55,05,400	1,70,00,000
Advances recoverable in cash or kind			
(Unsecured, Considered good)		<u>2,14,737</u>	<u>7,67,760</u>
		<u>1,57,47,584</u>	<u>1,77,90,270</u>
Less: Contingent Provision against Standard Assets as per RBI directions		50,772	42,679
	Total	<u>1,56,96,812</u>	<u>1,77,47,591</u>
13. Other Current Assets			
Unsecured, Considered good unless stated otherwise			
Interest accrued but not due on Loans		13,96,483	71,680
	Total	<u>13,96,483</u>	<u>71,680</u>



NILKANTH ENGINEERING LIMITED

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

	31-03-2016 Rs.	31-03-2015 Rs.
14. Revenue from Operations		
14.1 Interest Income		
Interest on Loan given	15,73,685	7,12,474
	<u>15,73,685</u>	<u>7,12,474</u>
14.2 Other Operating Income		
Dividend on Long Term Investments	73,500	1,47,000
Net gain on sale of Current Investments	81,816	5,17,049
	<u>1,55,316</u>	<u>6,64,049</u>
Total	<u>17,29,001</u>	<u>13,76,523</u>
15. Other Income		
Rent Received	11,07,000	10,80,000
Excess Provision for Contingent Against Standard Balances written back	-	88,055
Total	<u>11,07,000</u>	<u>11,68,055</u>
16. Employee Benefit Expenses		
Salaries, Wages and Bonus	6,18,000	5,34,000
Medical Reimbursement	15,000	15,000
Leave Travel Allowance	36,000	60,000
Total	<u>6,69,000</u>	<u>6,09,000</u>
17. Depreciation and Amortization Expenses		
Depreciation on Tangible Assets	1,89,857	19,980
	<u>1,89,857</u>	<u>19,980</u>
18. Other Expenses		
Advertisement expenses	21,960	36,360
Bank charges	2,700	1,734
Conveyance	7,697	-
Credit Information Membership Fees	17,100	-
Demat Account Charges	725	713
Filing Fees	9,600	11,400
General Expenses	1,573	453
Insurance Charges	34,969	13,679
Legal and Professional Charges	8,145	12,000
Listing Fees	2,24,720	1,12,360
Sundry balances written off	2,27,261	-
Property Tax	80,434	-
Provision for Contingent Against Standard Assets	8,093	-
Telephone Expenses	6,800	-
Travelling Expenses	1,924	-
Payment to Auditor	73,185	71,556
Total	<u>7,26,886</u>	<u>2,60,255</u>
Payment to Auditor		
As Auditor		
Audit Fees	40,000	40,000
Reimbursement of Service Tax	5,800	5,600
In Other capacity		
Certification fees	24,000	25,956
Reimbursement of Service Tax	3,385	-
	<u>73,185</u>	<u>71,556</u>



NILKANTH ENGINEERING LIMITED**Notes to Financial Statements for the year ended 31st March, 2016****19. 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.

20. Segment Information (AS - 17)

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

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

G. M. Loyalka	Director
Manish Newar	Director
R. D. Bhatner	Director

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

- NIL -

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

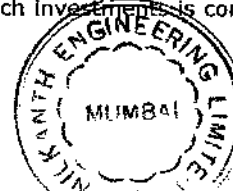
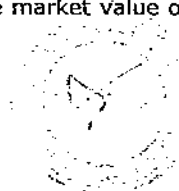
22. In accordance with Accounting Standard - 20 (AS - 20) Earnings per Share, the computation of earnings per share is set out below :

Particulars	31st March 2016	31st March 2015
Net Profit/(Loss) after tax available for equity shareholders	7,80,878	13,68,196
Weighted average number of Equity Shares	12,45,000	12,45,000
Basic Earnings Per Share (In Rs.)	0.63	1.10
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.

23. 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".**24. The Company believes that no impairment of assets arises during the year as per the recommendations of Accounting Standard - 28 Impairment of Assets.****25. Since the asset size of the Company is less than Rs. 500 Crores as at 31.03.2016, the Company is a Non Systemically Important Company as per the provisions of Non Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015. Further, the Company does not have any public funds, the provisions of Non Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 are not applicable to the Company except Para 15 relating to submission of a Certificate from Statutory Auditor.****26. 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.

27. 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.

28. 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.
29. a) Figures of the previous year have been re-grouped and re-classified wherever necessary to correspond with the figure of the current period.
- b) Figures have been rounded off to nearest rupee.

As per our report of even date attached

For and on behalf of

KARNAVAT & CO.

Chartered Accountants

Firm Regn. No. 104863W

Viral Joshi
(Viral Joshi)

Partner

Membership No. 137686

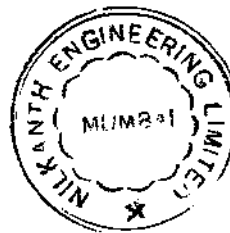
Place: Mumbai

Date: 30 MAY 2016

For and on behalf of the Board of Directors

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

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



**NILKANTH ENGINEERING
LIMITED**
(CONSOLIDATED)

STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2016

KARNAVAT & CO.

CHARTERED ACCOUNTANTS

2A, KITAB MAHAL, 1ST FLOOR, 192, DR. D. N. ROAD,
MUMBAI – 400001

TELEPHONE NO. +9122 4066 6666 (10 LINES)

FAX NO. +9122 4066 6660

Email: karnavataudit@gmail.com

karnavattax@gmail.com

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NILKANTH ENGINEERING LIMITED

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Parent Company's Board of Directors is also responsible for ensuring accuracy of the records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent Company as aforesaid.

Auditor's Responsibility

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

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



(cont...2)

* 2 *

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

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

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

Opinion

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

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

Other Matters

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



(cont...3)

* 3 *

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

Report on Other Legal and Regulatory Requirements

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



(cont...4)

* 4 *

g) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report that:

i) There were no pending litigations which would impact the consolidated financial position of the Group.

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company, and its subsidiary companies.

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



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

Viral Joshi
(Viral Joshi)
Partner
Membership No. 137686

NILKANTH ENGINEERING LIMITED**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016**

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

Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of

KARNAVAT & CO.

Chartered Accountants

Firm Regn. No. 104863W

(Viral Joshi)

Partner

Membership No. 137686

Place: Mumbai

Date: September 1, 2016

For and on behalf of the Board of Directors

(G.M. Loyalka)

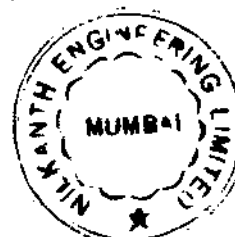
Director

DIN : 00299416

(Rajshree Tapuria)

Director

DIN : 01655859



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

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

Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements

1

As per our report of even date attached

For and on behalf of

KARNAVAT & CO.

Chartered Accountants

Firm Regn. No. 104863W

(Viral Joshi)

Partner

Membership No. 137686

Place: Mumbai

Date: September 1, 2016

For and on behalf of the Board of Directors

(G.M. Loyalka)

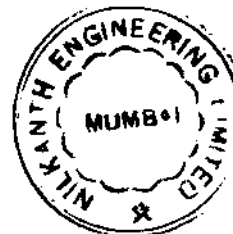
Director

DIN : 00299416

(Rajshree Tapuria)

Director

DIN : 01655859



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

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

Notes:

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

31-03-2016

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

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

As per our report of even date attached

For and on behalf of

KARNAVAT & CO

Chartered Accountants

Firm Regn. No. 104863W

(Viral Joshi)

Partner

Membership No. 137686

Place : Mumbai

Date: September 1, 2016

For and on behalf of the Board of Directors

(G.M. Loyalka)

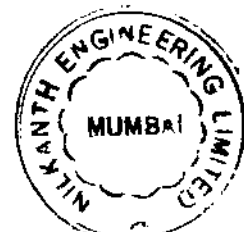
Director

DIN : 00299416

(Rajshree Tapuria)

Director

DIN : 01655859



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

1. Basis of preparation of consolidated financial statements

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

2. Principals of Consolidation

- A. The consolidated financial statements of the Company and its associates have been prepared in accordance with the Accounting Standard 21 'Consolidated Financial Statements' and Accounting Standard (AS) – 23 "Accounting for Investments in Associates in Consolidated Financial Statements" notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the companies (Accounts) Rules 2014.
- B. The consolidated financial statements have been prepared on the following basis:
- Investments in associates are accounted under equity method as per Accounting Standard (AS) – 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Under the equity method, the investment is initially recorded at cost, identifying goodwill/capital reserve arising at the time of acquisition and the carrying amount is increased/ decreased to recognize Group's share of profits/losses of the associates after the date of acquisition. Goodwill/Capital reserve arising on acquisition of the associates is included in the carrying amount of the respective investments. Unrealized profits resulting from transactions between the Group and the associates are eliminated to the extent of Group's interest in the associates. Unrealized losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group.
- C. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.
- D. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances to the extent possible.
- E. The companies considered in the consolidated financial statements are listed below:-

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



3. Significant Accounting Policies

A. Use of estimates

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

B. Revenue Recognition

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

C. Tangible Fixed Assets

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

D. Depreciation / Amortisation of Fixed Assets

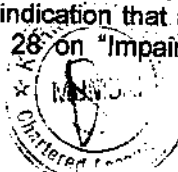
The Company has worked depreciation with reference to the useful lives of fixed assets prescribed by PART 'C' of Schedule II to the Act or the useful lives of assets as estimated by the Company, whichever is lower. The carrying values have been depreciated over the remaining useful lives of the assets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

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

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

E. Impairment of Tangible and Intangible Assets

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



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

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

F. Investments

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

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

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

G. Earnings per share

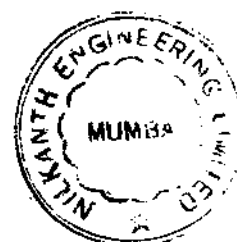
Basic Earnings per share are computed by dividing the net profit or loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculated Diluted Earnings per Share, the net profit or loss for the period attributable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

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

H. Provisions / contingencies

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

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



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

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

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

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

2.2 Terms/Rights attached to equity shares:

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

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

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

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

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

3. Reserve and Surplus

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

4. Other Long Term Liabilities:

Others payables	
Security Deposits	15,00,00,000
Total	15,00,00,000

5. Other Current Liabilities:

Others payables	
Expenses Payable	77,800
TDS Payable	5,000
Total	82,800

6. Short Term Provisions:

Provision for Tax (Net of Income Tax Deposits)	42,161
Total	42,161

Note :

Income Tax Deposits is net of provision for tax includes :

Provision for Income Tax	9,85,000
Less: Income Tax Deposits	9,42,839
	42,161



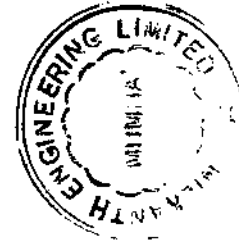
NILKANTH ENGINEERING LIMITED
Notes to Financial Statements for the year ended 31st March, 2016

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



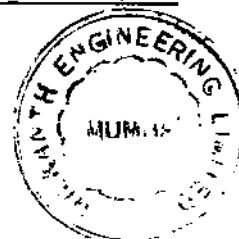
NILKANTH ENGINEERING LIMITED
7. Tangible Assets

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



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

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



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

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

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

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

20. Related Party Disclosures:-

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

A. Associates :-

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

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

21. Earnings Per Share

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

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

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

24. Contingent Liability not provided in respect of:-

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

Other Contingent Liability – Rs. Nil/-.

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



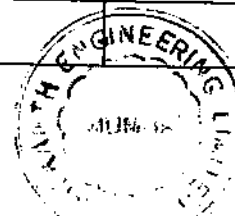
NILKANTH ENGINEERING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2016

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

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

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

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



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

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

Note 1:

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

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

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

As per our report of even date attached

For and on behalf of

KARNAVAT & CO.

Chartered Accountants,

Firm Registration No. 104863W

Viral Joshi

Partner

Membership No.: 137686

For and on behalf of the Board of Directors

G. M. Loyalka

Director

DIN: 00299416

Rajshree Tapuriah

Director

DIN: 01655859

Place: Mumbai

Date: September 1, 2016

