

o/c

NILKANTH ENGINEERING LIMITED

Regd. Office : 407, Kalbadevi Road, Daulat Bhavan, 3rd Floor, Mumbai - 400 002
CIN No.:-L27300MH1983PLC029360

03.11.2014

BSE Limited
25th Floor
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400001

Dear Sir

Re: Annual Report for the Financial Year 2013-14

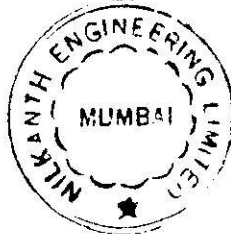
As required under Clause 31 of the Listing Agreement, please find enclosed herewith 6 copies of Annual Report of the Company.

Kindly acknowledge the receipt.

Thanking You

Yours Faithfully
For Nilkanth Engineering Limited


Director



Encl: as above



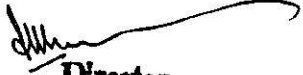
NILKANTH ENGINEERING LIMITED

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

CIN No.: L27300MH1983PLC029360

"FORM A"

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

1.	Name of the Company	Nilkanth Engineering Limited
2.	Annual financial statements for the year ended	31st March, 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	NA
5.	To be signed by – Mr. Lalit Kumar Daga. <i>(Director)</i>	For Nilkanth Engineering Ltd  Director

NILKANTH ENGINEERING LIMITED

STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2014

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

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NILKANTH ENGINEERING LIMITED

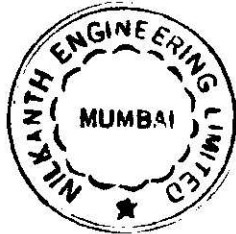
Regd. Office: 407, Kalbadevi Road, Daulat Bhawan, 3rd Floor, Mumbai – 400 002
CIN NO: L27300MH1983PLC029360

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the shareholders of Nilkanth Engineering Limited shall be held on Tuesday, the 30th day of September, 2014 at 3:00 PM at the registered office of the Company at 407, Kalbadevi Road, 3rd Floor, Mumbai – 400 002 to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet and the Statement of Profit & Loss of the company for the year ended on 31st March, 2014 and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Manish Kumar Newar (DIN No: 00469539) who retires from office by rotation and being eligible offers himself for reappointment.
3. To re-appoint M/s Karnavat & Co., Chartered Accountants, Mumbai, having ICAI Registration No. 104863W, as the Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration.

By order of the Board of Directors




Director

Place : Mumbai

Date : 02.09.2014

NOTES:

1. A member entitled to attend and vote at the General Meeting (the 'Meeting') is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

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

2. The proxy form duly completed and signed should be deposited at the Registered office of the Company not less than 48 hours before the time fixed for the Meeting.
3. The Register of Members and Share Transfer Register will remain closed from 24th September, 2014 to 30th September, 2014, both days inclusive
4. Members are requested to bring their copy of the Notices at the Annual General Meeting.



NILKANTH ENGINEERING LIMITED

Regd. Office: 407, Kalbadevi Road, Daulat Bhawan, 3rd Floor, Mumbai – 400 002
CIN NO: L27300MH1983PLC029360

DIRECTORS' REPORT TO THE SHARE HOLDERS

Dear Shareholders,

Yours Directors have pleasure in presenting to you the 31st Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL RESULTS

Particulars	2013-14 Rs.	2012-13 Rs.
Income	31,72,845	45,65,652
Expenses	6,89,853	5,59,922
Profit / (Loss) before tax	24,82,992	40,05,730
Tax expenses:		
Current Tax	4,84,650	(9,75,225)
Profit after tax	19,98,342	30,30,505

DIVIDEND

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

DIRECTORS

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

DIRECTOR RESPONSIBILITY STATEMENT

Your Directors confirm that :

i in the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;



ii. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year ended on 31st March, 2014 and of the profit of the Company for that year;

iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors have prepared the annual accounts on a going concern basis.

PUBLIC DEPOSITS

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

EMPLOYEES

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

AUDITORS

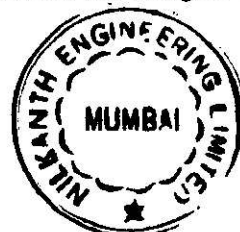
M/s Karnavat & Co., Chartered Accountants, the Statutory Auditors of the Company retire and being eligible offer themselves for re-appointment.

AUDITORS REPORT

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

COMPLIANCE CERTIFICATE

Pursuant to the proviso to Section 383A (1) of the Companies Act, 1956 read with the Companies (Compliance Certificates) Rules, 2001 framed thereunder, your Company has obtained a Compliance Certificate from Girish Murarka and Company, Company Secretaries, Mumbai for the financial year ended 31st March, 2014 confirming that the Company has complied with all the provisions of the Companies Act, 1956. A copy of such certificate is attached with this Report and forms an integral part. The observations



made in the Compliance Certificate are self explanatory and therefore do not call for any comments.

REPORT ABOUT CONSERVATION OF ENERGY

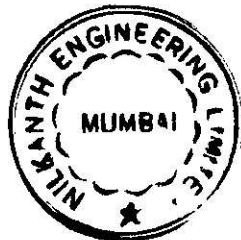
Since the Company is not having any manufacturing activity, Directors have nothing to report on conservation of energy, research and development and technology absorption.

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

APPRECIATION

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



Place : Mumbai

Date : 02.09.2014

For and on behalf of Board of Directors


Director


Director

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, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that gives a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(contd. 2)

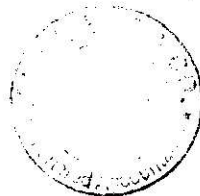
* 2 *

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.

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



Viral Joshi

(Viral Joshi)
Partner
Membership No. 137686

192, Dr. D. N. Road
Mumbai - 400001
Dated: 30.06.2014

NILKANTH ENGINEERING LIMITED

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

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

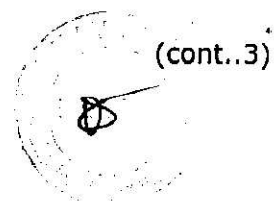
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- viii) The Central Government has not prescribed the maintenance of cost records under Section 209 of the Companies Act 1956 in case of the Company.
- ix) a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, sales-tax, service tax, wealth tax, cess and other statutory dues applicable to it.
- b) The company is regular in depositing undisputed statutory dues with the appropriate authorities. There were no undisputed amounts payable in respect of aforesaid statutory dues as at 31st March, 2014 for a period of more than six months from the date they becoming payable.
- c) According to the records of the company and the information and explanations given to us, we are of the opinion that there are no aforesaid statutory dues of that have not been deposited on account of any dispute.
- x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash loss during the financial year covered under report and in the immediately preceding financial year;
- xi) According to the records of the Company examined by us and the information and explanations given to us, we are of the opinion that the Company has not borrowed any amount from financial institution or banks. Hence, in our opinion, provisions of clause (xi) of Paragraph 4 of the Order are not applicable.
- xii) In our opinion and according to the explanations given to us and based on the information available, the Company has not granted any loans on the basis of security by way of pledge of shares, debentures and other securities;
- xiii) The Company is not a chit fund/ nidhi/ mutual benefit fund/society therefore; the provisions of clause 4(xiii) of Paragraph 4 of the said order are not applicable to the Company.
- xiv) Based on our examination of the records and evaluation of the related internal control, the Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the company in its own name, except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
- xv) As per the information and explanation given to us by the management, the Company has not given any guarantees for loans taken by others from any banks or financial institutions. Accordingly, the provisions of clause 4(xv) of Paragraph 4 of the aforesaid 'Order' are not applicable to the Company.

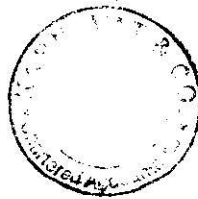
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- xvi) In our opinion, and according to the information and explanations given to us, the Company has not raised any new term loans from banks or financial institutions, and accordingly the requirement of clause (xvi) of Paragraph 4 of the Order are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

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



Viral Joshi

(Viral Joshi)
Partner
Membership No. 137686

192, Dr. D. N. Road
Mumbai - 400001
Dated: 30.06.2014

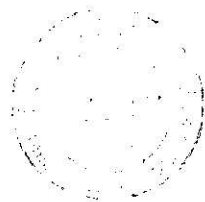
NILKANTH ENGINEERING LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2014

	Notes	As at 31-03-2014	As at 31-03-2013
I EQUITY AND LIABILITIES			
1 Shareholders' Fund	2	1,24,50,000	1,24,50,000
Share Capital	3	3,69,18,784	3,49,20,442
Reserves and Surplus		4,93,68,784	4,73,70,442
2 Non-Current Liabilities	4	12,00,00,000	2,40,00,000
Other Long Term Liabilities			
3 Current Liabilities	5	41,001	33,708
Other Current Liabilities		<u>16,94,09,785</u>	<u>7,14,04,150</u>
Total			
II ASSETS			
1 Non Current Assets			
Fixed Assets	6	4,29,090	4,52,862
Tangible Assets		4,70,38,083	-
Capital Work in Progress		4,74,67,173	4,52,862
Non Current Investments	7	5,44,85,640	5,44,85,640
Long Term Loans and Advances	8	1,23,23,880	42,924
		6,68,09,520	5,45,28,564
2 Current Assets	9	1,41,354	13,07,462
Current Investments	10	21,95,776	3,27,626
Cash and Bank Balances	8	5,15,41,760	1,21,82,252
Short Term Loans and Advances	11	12,54,203	26,05,385
Other Current Assets		5,51,33,093	1,64,22,725
Total		<u>16,94,09,785</u>	<u>7,14,04,150</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

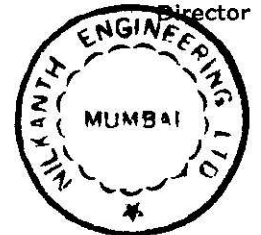
Viral Joshi
 (Viral Joshi)
 Partner
 Membership No. 137686
 Place: Mumbai
 Date: 30.06.2014



For and on behalf of the Board of Directors

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

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



NILKANTH ENGINEERING LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

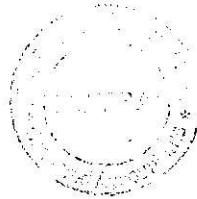
	Notes	Year ended 31-03-2014	Year ended 31-03-2013
I INCOME			
Revenue from Operations	12	21,60,296	35,33,639
Other Income	13	10,12,549	10,32,013
Total Revenue		31,72,845	45,65,652
II EXPENSES			
Employee Benefit Expenses	14	4,50,000	3,99,000
Depreciation and Amortization Expenses	15	23,772	25,231
Other Expenses	16	2,16,081	1,35,691
Total Expenses		6,89,853	5,59,922
III Profit before Extraordinary Items and Tax		24,82,992	40,05,730
Less: Extraordinary Items		-	-
IV Profit before Tax		24,82,992	40,05,730
Less: Tax Expenses			
Current Tax		4,75,000	9,80,000
Earlier years adjustments		9,650	(4,775)
		4,84,650	9,75,225
V Profit for the period		19,98,342	30,30,505
VI Earnings per Equity Share before/after Extra ordinary Items	20		
(Nominal Value of share Rs.10/- each)			
Basic		1.61	2.43
Diluted		1.61	2.43

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

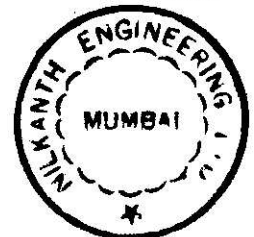
For and on behalf of the Board of Directors


(Viral Joshi)
Partner
Membership No. 137686
Place: Mumbai
Date: 30.06.2014




(L.K. Daga)
Director


(R. D. Bhatler)
Director



NILKANTH ENGINEERING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Amount in Rs.

PARTICULARS	2013-2014		2012-2013	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit / (loss) before Tax		24,82,992		40,05,730
Add/(Less) Adjustments for Depreciation		23,772		25,231
Provision for expenses		38,203		28,090
Provision for Standard Assets		93,997		(42,013)
Interest accrued on loan		(12,54,203)		(26,05,385)
Compensation Received		(10,12,500)		(9,90,000)
Expenses prepaid		(3,720)		(3,726)
Operating Profit before working capital changes		3,68,541		4,17,927
Adjustment for Working Capital Changes:				
Trade and other receivables	(4,91,44,400)		1,97,27,854	
Trade and other payables	(30,910)	(4,91,75,310)	19,541	1,97,47,394
Cash flow from operations before tax paid		(4,88,06,769)		2,01,65,321
Less : Direct Taxes paid (net of refund)		4,65,606		9,79,987
Net Cash (used in) Operating Activities		(4,92,72,375)		1,91,85,334
B. CASH FLOW FROM INVESTING ACTIVITIES				
(Purchase)/Sale of Investments		11,66,108		(2,14,30,400)
Amount spent on Capital Work in Progress		(4,70,38,083)		-
Compensation Received		10,12,500		9,90,000
Net Cash flow from/(used in) Investing Activities		(4,48,59,475)		(2,04,40,400)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Deposits Received		9,60,00,000		-
Net Cash flow from/(used in) Financing Activities		9,60,00,000		-
Net increase / (decrease) in Cash and Cash equivalent (A+B+C)		18,68,150		(12,55,066)
Cash and Cash equivalents as at April 1		3,27,625		15,82,691
Cash and Cash equivalents as at March 31		21,95,776		3,27,625

Notes:

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

	2,251	1,892
	21,90,907	3,25,735
	2,618	-
Total	21,95,776	3,27,625

- 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

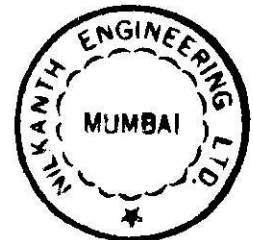
Viral Joshi
(Viral Joshi)
Partner
Membership No. 137686
Place : Mumbai
Date: 30.06.2014



For and on behalf of the Board of Directors

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

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



NILKANTH ENGINEERING LIMITED

Notes to Financial Statements for the year ended 31st March, 2014

1. Significant Accounting Policies

1.1 Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rule, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

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

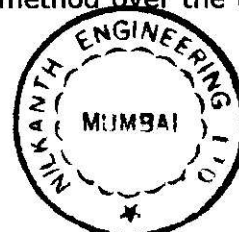
All fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost includes all incidental expenses related to acquisition.

1.5 Depreciation/Amortisation on Fixed Assets

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

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

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



1.6 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.

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

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

1.8 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.

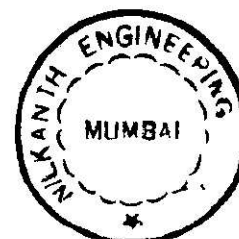
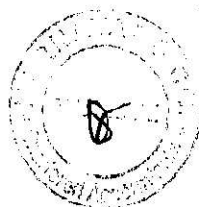
1.9 Income Taxes

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.



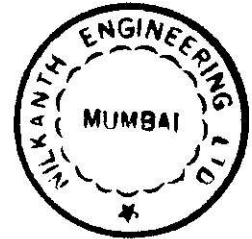
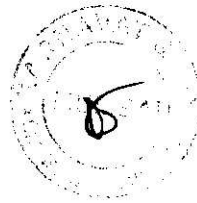
1.10 Provisions

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

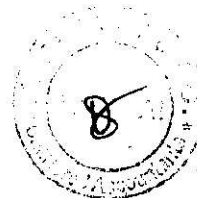
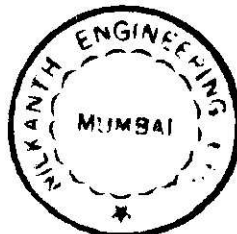
A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an 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, 2014

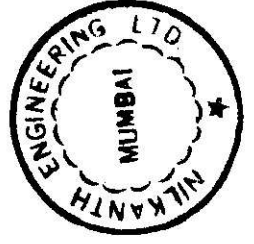
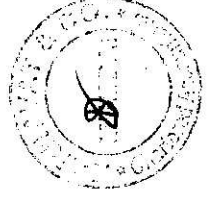
	<u>31-03-2014</u>	<u>31-03-2013</u>
	Rs.	Rs.
2. Share Capital		
Authorized Shares		
12,50,000 (31 March 2013: 12,50,000) Equity Shares of Rs. 10 each	1,25,00,000	1,25,00,000
	1,25,00,000	1,25,00,000
Issued, Subscribed and fully paid up Shares		
12,45,000 (31 March 2013: 12,45,000) Equity Shares of Rs. 10 each	1,24,50,000	1,24,50,000
	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:	31-03-2014	31-03-2013
	Nos.	Nos.
	Rs.	Rs.
At the beginning of the year	12,45,000	12,45,000
Outstanding at the end of the year	12,45,000	12,45,000
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, 2014, the amount of dividend per share recognized as distributions to equity shareholders was Rs.NIL (31st March, 2013 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		
	31-03-2014	31-03-2013
	Nos.	Nos.
	%	%
Equity Shares of Rs. 10/- each fully paid up		
Aakarshak Synthetics Limited	1,70,000	1,70,000
Anukool Trade & Finance Limited	-	91,500
Rutgers Investments And Trading Company Private Limited	1,12,000	1,12,000
Umang Commercial Company Limited	-	2,37,500
Sushree Trading Limited	6,22,000	1,22,000
Kajal Synthetics & Silk Mills Limited	2,06,000	-
	13.65%	13.65%
	-	7.35%
	9.00%	9.00%
	-	19.08%
	49.96%	9.80%
	16.55%	-
3. Reserve and Surplus		
	31-03-2014	31-03-2013
	Rs.	Rs.
Surplus in the Statement of Profit and Loss		
Balance as per the last financial statements	2,64,60,675	2,40,36,271
Profit for the year:	19,98,342	30,30,505
Less: Appropriations		
Transfer to reserve fund under Section 45 I C(1) of Reserve Bank of India Act, 1934	3,99,668	6,06,101
Net surplus in the Statement of Profit and Loss	2,80,59,349	2,64,60,675
Reserve Fund as per Section 45 I C(1) of Reserve Bank of India Act, 1934		
Balance as per the last financial statements	84,59,767	78,53,666
Add: Amount transferred from surplus balance in the statement of profit and loss	3,99,668	6,06,101
Closing Balance	88,59,435	84,59,767
Total Reserves and Surplus	3,69,18,784	3,49,20,442
4. Other Long Term Liabilities:		
Others payables		
Security Deposits	12,00,00,000	2,40,00,000
	12,00,00,000	2,40,00,000
5. Other Current Liabilities:		
Others payables		
Sundry Creditors for Expenses	34,382	30,337
TDS Payable	6,619	3,371
	41,001	33,708



NILKANTH ENGINEERING

6. Tangible Assets

	Building	Plant & Equipments	Furniture & Fittings	Office Equipments	Total
Cost or Valuation					
At 1 April 2012	18,43,464	88,000	80,763	97,200	21,09,427
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March, 2013	18,43,464	88,000	80,763	97,200	21,09,427
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March, 2014	18,43,464	88,000	80,763	97,200	21,09,427
Depreciation					
At 1 April 2012	13,79,123	87,472	78,343	86,395	16,31,334
Charge for the year	23,217	73	438	1,503	25,231
Disposals	-	-	-	-	-
At 31 March, 2013	14,02,340	87,545	78,781	87,898	16,56,565
Charge for the year	22,056	63	359	1,294	23,772
Disposals	-	-	-	-	-
At 31 March, 2014	14,24,396	87,608	79,140	89,192	16,80,337
At 31 March, 2013	4,41,124	455	1,982	9,302	4,52,862
At 31 March, 2014	4,19,068	392	1,623	8,008	4,29,090



NILKANTH ENGINEERING LIMITED

Notes to Financial Statements for the year ended 31st March, 2014

	31-03-2014 Rs.	31-03-2013 Rs.
7. Non Current Investments		
Non-trade Investments		
(valued at cost unless stated otherwise)		
7.1 Quoted		
Investment in Equity Shares		
Nil (31 March 2013 - 70,100) Equity Shares of Rs.10/- each fully paid up of Heritage Housing Finance Limited *	-	3,48,745
73,500 (31 March 2013 - 73,500) Equity Shares of Rs.5/- each fully paid up of Jayashree Tea & Industries Limited	25,14,083	25,14,083
Nil (31 March 2013 - 35,000) Equity Shares of Rs.10/- each fully paid up of Mangalam Services Limited *	-	15,08,770
122,200 (31 March 2013 - 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 2013 - 90,000) Equity Shares of Rs.10/- each fully paid up of Meenakshi Steel Industries Limited	2,12,570	2,12,570
5,563 (31 March 2013 - Nil) Equity Shares of Rs.10/- each fully paid up of Umang Commercial Company Limited *	18,57,515	-
	<u>48,92,278</u>	<u>48,92,278</u>
7.2 Unquoted		
Investment in Equity Shares		
1,270,000 (31 March 2013 - 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 2013 - 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 2013 - 267,300) Equity Shares of Rs.10/- each fully paid up of Manav Investment & Trading Company Limited	-	-
3,000 (31 March 2013 - 3,000) Equity Shares of Rs.10/- each fully paid up of Osiris Online Private Limited	30,075	30,075
40,000 (31 March 2013 - 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 2013 - 528,250) Equity Shares of Rs.10/- each fully paid up of Sushree Trading Limited	1,54,41,534	1,54,41,534
	<u>4,95,93,362</u>	<u>4,95,93,362</u>
	<u>5,44,85,640</u>	<u>5,44,85,640</u>
Aggregate amount of Quoted Investments	48,92,278	48,92,278
Aggregate Market Value of Quoted Investments	67,22,024	74,93,325
Aggregate amount of Unquoted Investments	4,95,93,362	4,95,93,362

Pursuant to the Scheme of Amalgamation of Heritage Housing Finance Limited and Mangalam Services Limited (Transferor Companies) with Umang Commercial Company Limited (Transferee Company) sanctioned by the Hon'ble High Court at Calcutta vide its order dated 16.09.13, the Company has received 5,563 Equity Shares of Rs.10/- each fully paid up of Umang Commercial Company Limited during the year.

	Non-Current		Current	
	31-03-2014 Rs.	31-03-2013 Rs.	31-03-2014 Rs.	31-03-2013 Rs.
8. Loans and Advances				
8.1 Prepaid Expenses	-	-	3,720	3,726
8.2 Income Tax Deposits (Net of Provisions)	23,880	42,924	-	-
8.3 Other Loans and Advances				
Inter Corporate Deposits (ICD's)	-	-	5,09,00,000	1,18,00,000
Advances recoverable in cash or kind (Unsecured, Considered good)	1,23,00,000	-	7,68,774	4,15,263
	<u>1,23,23,880</u>	<u>42,924</u>	<u>5,16,72,494</u>	<u>1,22,18,989</u>
Less: Contingent Provision against Standard Assets as per RBI directions	-	-	1,30,734	36,737
	<u>1,23,23,880</u>	<u>42,924</u>	<u>5,15,41,760</u>	<u>1,21,82,252</u>

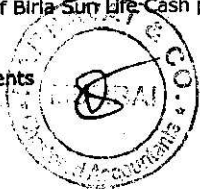
Note :

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

	31-03-2014 Rs.	31-03-2013 Rs.
	17,23,880	28,09,964
	<u>(17,00,000)</u>	<u>(27,67,040)</u>
	<u>23,880</u>	<u>42,924</u>

9. Current Investments
Non-trade Investments
(valued at cost unless stated otherwise)

	31-03-2014 Rs.	31-03-2013 Rs.
In Mutual Fund Units		
790,975 (31 March 2013 - 5,790,303) Units of Birla Sun Life Cash plus -Growth	1,41,354	10,02,734
Nil (31 March 2013 - 1,126,431) Units of Birla Sun Life Cash plus -Retail - Growth	-	3,04,728
	<u>1,41,354</u>	<u>13,07,462</u>
Aggregate amount of Unquoted investments	1,41,354	13,07,462



NILKANTH ENGINEERING LIMITED

Notes to Financial Statements for the year ended 31st March, 2014

10. Cash and Bank Balances

Cash and Cash equivalents

Cash on hand

Cheques in Hand

Balance with banks:

In Current Accounts

2,251

1,892

2,618

-

21,90,907

3,25,735

21,95,776

3,27,626

11. Other Current Assets

Unsecured, Considered good unless stated otherwise

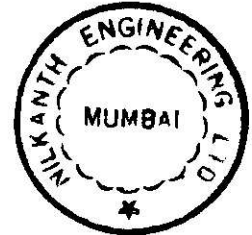
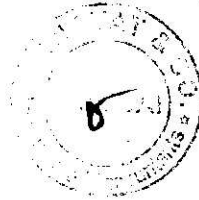
Interest accrued but not due on Loans

12,54,203

26,05,385

12,54,203

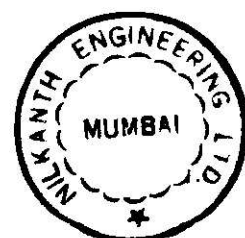
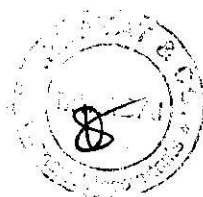
26,05,385



NILKANTH ENGINEERING LIMITED

Notes to Financial Statements for the year ended 31 March, 2014

	31-03-2014	31-03-2013
	Rs.	Rs.
12. Revenue from Operations		
12.1 Interest Income		
Interest on Loan given	13,93,559	28,94,872
	<u>13,93,559</u>	<u>28,94,872</u>
12.2 Other Operating Income		
Dividend on Long Term Investments	5,61,300	4,87,800
Net gain on sale of Current Investments	2,05,437	1,50,967
	<u>7,66,737</u>	<u>6,38,767</u>
	<u>21,60,296</u>	<u>35,33,639</u>
13. Other Income		
Rent Received	10,12,500	9,90,000
Fractional Proceeds Received	49	-
Excess Provision for Contingent Against Standard Balances written back	-	42,013
	<u>10,12,549</u>	<u>10,32,013</u>
14. Employee Benefit Expenses		
Salaries, Wages and Bonus	4,35,000	3,36,000
Medical Reimbursement	15,000	15,000
Leave Travel Allowance	-	48,000
	<u>4,50,000</u>	<u>3,99,000</u>
15. Depreciation and Amortization Expenses		
Depreciation on Tangible Assets	23,772	25,231
	<u>23,772</u>	<u>25,231</u>
16. Other Expenses		
Advertisement expenses	23,600	18,800
Bank charges	981	1,037
Demat Account Charges	674	674
Filing Fees	2,000	2,000
General Expenses	176	815
Insurance Charges	4,386	654
Legal and Professional Charges	11,500	8,750
Listing Fees	16,854	16,892
Contingent Provision against standard assets	93,997	-
Payment to Auditor	61,913	86,068
	<u>2,16,081</u>	<u>1,35,691</u>
Payment to Auditor		
As Auditor		
Audit Fees	30,000	30,000
Reimbursement of Service Tax	3,708	3,708
In Other capacity		
Certification fees	28,205	23,708
Taxation	-	28,652
	<u>61,913</u>	<u>86,068</u>



NILKANTH ENGINEERING LIMITED

Notes to Financial Statements for the year ended 31st March, 2014

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

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

18. Segment Information (AS - 17)

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

19. Related Party Disclosures (AS - 18)

Name of related parties and related party relationship:

a) Key Management Personnel :

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

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

- NIL -

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

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

Particulars	31st March 2014	31st March 2013
Net Profit/(Loss) after tax available for equity shareholders	19,98,342	30,30,505
Weighted average number of Equity Shares of Rs. 10/- each, fully paid up	12,45,000	12,45,000
Basic Earnings Per Share (In Rs.)	1.61	2.43
Nominal Value Per Share (In Rs.)	10.00	10.00

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

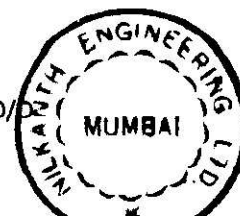
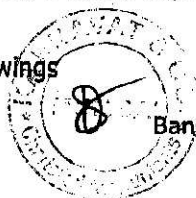
21. Due to the uncertainty in the future taxable income, the Company has not recognized Deferred Tax as per Accounting standard-22 "Accounting for Taxes On Income".

22. The Company believes that no impairment of assets arises during the year as per the recommendations of Accounting Standard - 28 Impairment of Assets.

23. Additional Disclosures as required in terms of Paragraph 13 of NonBanking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 issued by the Reserve Bank of India.

Particulars (Rs.in lakhs)

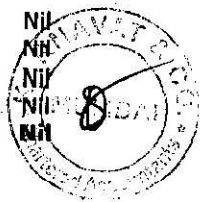
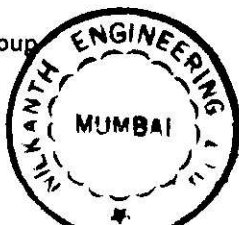
Liabilities Side	Amount O/S	Amount Overdue
1 Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:		
a) Debentures:		
Secured	Nil	Nil
Unsecured	Nil	Nil
(other than falling within the meaning of public deposits)		
b) Deferred Credits	Nil	Nil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



Bank O/

Assets Side

		Amount Outstanding	
2	Breakup of Loans and Advances including bills receivables (other than those included in (4) below):		
	a) Secured		Nil
	b) Unsecured		516.72
3	Breakup of Leased Assets and stock on hire and other assets counting towards AFC activities		
	i) Lease assets including lease rentals under sundry debtors:		
	a) Financial Lease		N.A.
	b) Operating Lease		N.A.
	ii) Stock on hire including hire charges under sundry debtors:		
	a) Assets on hire		N.A.
	b) Reposed Assets		N.A.
	iii) Other loans counting towards AFC activities		
	a) Loans where assets have been repossessed		N.A.
	b) Loans other than (a) above		N.A.
4	Breakup of Investments:		
	Current Investments:		
	1. Quoted:		
	i) Shares: (a) Equity		Nil
	(b) Preference		Nil
	ii) Debentures and Bonds		Nil
	iii) Units of mutual funds		Nil
	iv) Government Securities		Nil
	v) Others (please specify)		Nil
	- Certificate of Deposits		Nil
	2. Unquoted:		
	i) Shares: (a) Equity		Nil
	(b) Preference		Nil
	ii) Debentures and Bonds		Nil
	iii) Units of mutual funds		1.41
	iv) Government Securities		Nil
	v) Others (please specify)		Nil
	Long Term investments:		
	1. Quoted:		
	i) Shares: (a) Equity		48.92
	(b) Preference		Nil
	ii) Debentures and Bonds		Nil
	iii) Units of mutual funds		Nil
	iv) Government Securities		Nil
	v) Others (please specify)		Nil
	2. Unquoted:		
	i) Shares: (a) Equity		495.93
	(b) Preference		Nil
	ii) Debentures and Bonds		Nil
	iii) Units of mutual funds		Nil
	iv) Government Securities		Nil
	v) Others (please specify)		Nil
5	Borrower groupwise classification of assets financed as in (2) and (3) above:		
	Category	Amount net of Provisions	
		Secured	Unsecured
			Total
1.	Related Parties		
	a) Subsidiaries	Nil	Nil
	b) Companies in the same group	Nil	Nil
	c) Other related parties	Nil	Nil
2.	Other than related parties		
	Total	516.72	516.72



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

Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
a) Subsidiaries	-	-
b) Companies in the same group	-	-
c) Other related parties	-	-
2. Other than related parties		
Total	564.57	546.27
7 Other information	564.57	546.27
i) Gross NonPerforming Assets		
a) Related Parties	Nil	Nil
b) Other than related parties	Nil	Nil
ii) Net NonPerforming Assets		
a) Related Parties	Nil	Nil
b) Other than related parties	Nil	Nil
iii) Assets acquired in satisfaction of debt	Nil	Nil

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

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

25. While determining diminution, other than temporary, in the value of the long term quoted / unquoted investments, the strategic objective of such investments and the asset base of the investee companies have been considered. In view thereof, the decline in the market value of such investments is considered to be of a temporary nature.

26. In the opinion of the Board, the Current Assets, Loans & Advances are realizable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

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

b) Figures have been rounded off to nearest rupee.

As per our report of even date attached

For and on behalf of

KARNAVAT & CO.

Chartered Accountants

Firm Regn. No. 104863W

Viral Joshi, R.

(Viral Joshi)

Partner

Membership No. 137686

Place: Mumbai

Date: 30.06.2014



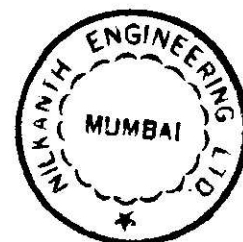
For and on behalf of the Board of Directors

L.K. Daga

(L.K. Daga)
Director

R. D. Bhatner

(R. D. Bhatner)
Director



NILKANTH ENGINEERING LIMITED

Groupings to Financial Statements for the year ended 31st March, 2014

Advance Taxes / TDS Paid			
2008-09	TDS AY 2008-09	1,38,007	
	Advance tax AY 2008-09	1,40,000	
	Provision for Tax AY 2008-09	(2,45,000)	33,007
2010-11	Income tax refund receivable AY 2010-11	16,780	16,780
2013-14	Advance tax AY 2013-14	5,75,000	
	TDS AY 2013-14	3,88,487	
	Provision for Tax AY 2013-14	(9,80,000)	(16,513)
2014-15	Advance tax AY 2014-15	2,25,000	
	TDS AY 2014-15	2,40,606	
	Provision for Tax AY 2014-15	(4,75,000)	(9,394)
	TOTAL ADVANCE TAX (NET OF PROVISIONS)		23,880