

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

16th October, 2019

BSE Limited

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

Ref : Scrip Code – 512004

Sub : Annual Report for the Financial year 2018-19

Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are submitting herewith the Annual Report for the Financial Year 2018-19

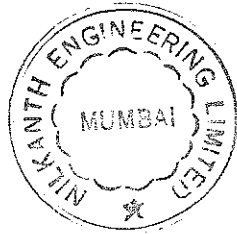
Kindly take the same on record and oblige.

Thanking you.

Yours faithfully,
For **NILKANTH ENGINEERING LIMITED**



G. M. Loyalka
Director
(DIN-00299416)



NILKANTH ENGINEERING LIMITED
Annual Report
2018-19

NILKANTH ENGINEERING LIMITED

Board of Directors

DIN

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

Company Secretary:

Shri. Prathmesh Sonsurkar
Company Secretary & Compliance Officer

Auditor :

Karnavat & Co.
Chartered Accountants
2-A, Kitab Mahal,
192, Dr. D. Naoroji Road,
Mumbai 400 001

Registered Office :

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

Registrar & Share Transfer Agent

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

NILKANTH ENGINEERING LIMITED

CIN : L27300MH1983PLC029360

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

Telephone No. : 022-2206 2108, Website: www.nilkanthengineering.co.in

Email: nilkanthengineeringltd@gmail.com

NOTICE

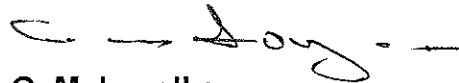
NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the members of Nilkanth Engineering Limited will be held on Monday, the 30th day of September, 2019 at 3.00 PM at the Registered Office of the Company at 407, Kalbadevi Road, 3rd Floor, Daulat Bhavan, Mumbai 400 002 to transact the following business :

Ordinary Business:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended on 31st March, 2019 and the Board's and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Manish Newar (DIN No: 00469539) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

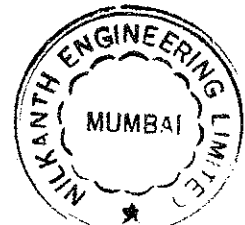
"Resolved That pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made therein , the appointment of M/s Karnavat & Co., Chartered Accountants, Mumbai, (Firm Registration No. 104863W), having their office at 2A, Kitab Mahal, 1st Floor, 192, D.N. Road, Mumbai 400 001 who were appointed as the Statutory Auditors of the Company to hold the office from the conclusion of 34th Annual General Meeting till the conclusion of the 39th Annual General Meeting, be and is hereby ratified, at such remuneration (including re-imbusement of out of pocket expenses) as may be decided by the Board of Directors of the Company in consultation with M/s Karnavat & Co, Chartered Accountants, Mumbai."

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



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

**Place: Mumbai
Date: 05.09.2019**



NOTES:

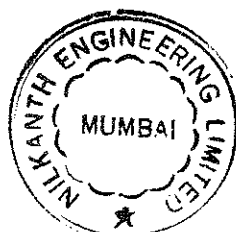
1. A member entitled to attend and vote at the 36th Annual General Meeting (the 'Meeting') is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company.

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

2. The proxy form duly completed and signed should be deposited at the Registered office of the Company not less than 48 hours before the time fixed for the Meeting.
3. The Register of Members and Share Transfer Register of the Company will remain closed from Saturday, 21st September, 2019 to Monday, 30th September, 2019, (both days inclusive) for the purpose of AGM.
4. Members are requested to bring their copy of the Annual Report at the Annual General Meeting.

5. EVOTING:

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

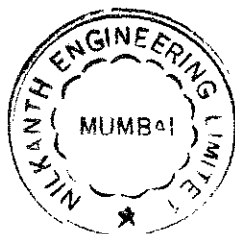


(a) In case of Shareholders receiving e-mail from NSDL:

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

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

- i. Initial password will be provided through a separate PIN Mailer.
- ii. Please follow steps (ii) to (xiii) above, to cast vote.
- iii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- iv. In case of any query, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsd.com> or contact NSDL at the following Telephone No.: 022 24994600.
- v. The e-voting period commences on 27th September, 2019 (9.00 a.m) and ends on 29th September, 2019 (5.00 p.m.). At the end of the voting period, the portal where votes are cast shall forthwith be blocked. The cut off date for Remote e-voting is 24th September, 2019.

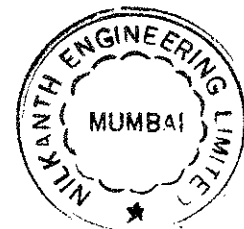


- vi. Mr. Girish Murarka, Proprietor of GIRISH MURARKA & CO., Practicing Company Secretaries Mumbai, the scrutinizer will, on 3rd October, 2019 i.e. within a period of not exceeding three working days from the date of conclusion of e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the company and make a scrutinizer's report of the votes cast in favour or against, if any and submit to the Chairman of the Annual General Meeting of the Company.
- vii. The results declared along with the scrutinizer's report shall be placed on the website of the company and on the website of the RTA or NSDL within two days of passing of the resolution.
- viii. Subject to receipt of sufficient votes, the resolution shall be deemed to be passed on the date of Annual General Meeting.
- v) Name, designation, address, email id and phone no. of the person responsible to address the grievances connected with facility for voting by electronic means.
Name:- Mr. Nitin Agrawal
Designation:- Managing Director and Compliance Officer
Address: 407, Kalbadevi Road, 3rd Floor, Daulat Bhavan, Mumbai 400 002
Email id: nilkanthengineeringltd@gmail.com
Phone No. 9164912700

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



G. M. Loyalka
Director
(DIN: 00299416)



Place: Mumbai
Date : 05.09.2019

NILKANTH ENGINEERING LIMITED

CIN : L27300MH1983PLC029360

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

Telephone No. : 022-2206 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 Sixth Annual Report and the Audited Financial Statements of Nilkanth Engineering Limited for the financial year ended 31st March, 2019.

FINANCIAL RESULTS

The financial performance of the Company, for the financial year ended 31st March, 2019 is summarized below:

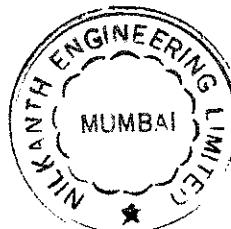
Amount in Rs.

| Particulars | Standalone | | Consolidated 31.03.19 |
|--|---------------|---------------|--------------------------|
| | 31.03.19 | 31.03.18 | |
| Income | 2,09,53,936 | 5,82,15,695 | 2,09,53,936 |
| Expenditure | 3,55,26,731 | 7,12,32,046 | 3,55,26,731 |
| Profit/(Loss) before Tax | (1,45,72,435) | (1,30,16,351) | (1,45,72,435) |
| Add/(Less) : Tax Expense | | | |
| Current Tax | 0 | 2,00,000 | 0 |
| Income Tax for earlier years | 0 | (1,04,858) | 0 |
| Deferred Tax | 0 | 0 | 0 |
| Profit/(Loss) after tax | (1,45,72,435) | (1,31,11,493) | (1,45,72,435) |
| Share of Loss of Associates | (26,33,705) | (35,79,657) | (26,33,705) |
| Profit / (Loss) after Tax with share of Associates | (1,72,06,140) | (1,66,91,150) | (1,72,06,140) |

PERFORMANCE REVIEW

During the year under review, the Company has incurred loss of Rs. 1,45,72,435/- (Previous Year loss of Rs. 1,31,11,493/-). Your Directors are hopeful of achieving even better performance in the current year.

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



FINANCE

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

DIVIDEND

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

TRANSFER TO RESERVE FUND UNDER RBI ACT, 1934

The Certificate of Registration of the Company to carry on the Business as Non-Banking Financial Company (NBFC) has been cancelled by Reserve Bank of India vide its order dated June 28, 2018 passed under section 45-IA(6) of the Reserve Bank of India Act, 1934 on the ground that Net Owned Fund are below Rs. 2.00 Crores. The Company has filed an appeal under section 45-IA(7) on 9th November, 2018 before Appellate Authority of NBFC Registration, New Delhi and the same is pending for disposal. As advised by the Reserve Bank of India, as on 31.03.2019, the Company has not transacted any business of NBFC. However the Company does not intent to carry on the business of NBFC during the period of disposal of appeal.

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

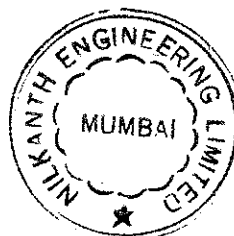
The Authorised Share Capital as on 31st March, 2019 was Rs.1,25,00,000 /-(Rupees One Crore Twenty Five Lac Only) divided into 12,50,000 Equity Shares of Rs. 10/- each.

There has been no change in the Share Capital of the Company during the financial year 2018-19.

The Issued Share Capital as on 31st March, 2019 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, 2019 and also as on the date of this report, your Company does not have any Subsidiary.



EXTRACT OF ANNUAL RETURN

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

PARTICULARS OF EMPLOYEES

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

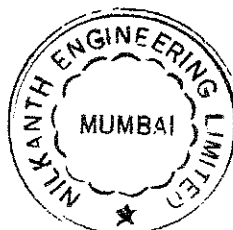
The internal financial controls with reference to the Financial Statements are commensurate with the size of the Company and nature of its business.

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

RISK MANAGEMENT

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

Investment business is always prone to various external risks i.e. risk of capital market fluctuations, global developments, competition risk, interest rate volatility, economic



cycles and geo-political risks which can adversely affect the fortunes of investment companies in both ways. To manage these identified risks, your Company adopted a sound and prudent risk management policy to mitigate the risk and challenges. The objectives of the risk policy is to minimize risk and maximize the returns.

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

REMUNERATION POLICY

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

CORPORATE SOCIAL RESPONSIBILITY

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

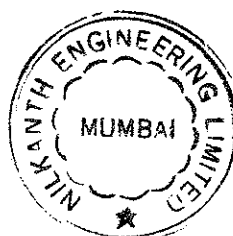
DIRECTORS RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts for the year ended 31 March 2019, 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 2019 and of the loss of the Company for year ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the Annual Accounts on a 'going concern basis';
- v) the Directors have laid down internal financial controls and that such internal financial controls are adequate and are operating effectively; and
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statement of your Company for the Financial Year 2018-19 is prepared in compliance with the applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.



VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

PREVENTION OF INSIDER TRADING:

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

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

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

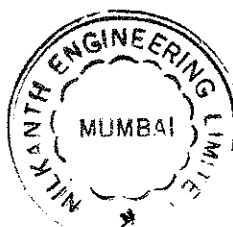
STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES , ASSOCIATE OR JOINT VENTURES

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

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

1. Jatayu Textiles & Industries Limited (Associate)

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



The Total Revenue of Jatayu during Financial Year 2018-19 was Rs.4.89 Crore and Net Profit After Tax was Rs. 16.83 Lac

2. Osiris Online Private Limited (Associate)

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

The Total Revenue of Osiris during Financial Year 2018-19 was Rs. 0.28 Lac and Net Profit After Tax was Rs. 0.19 Lac

3. Sushree Trading Limited (Associate)

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

The Total Revenue of Sushree during Financial Year 2018-19 was Rs. 12.63 Lac and Net Loss After Tax was Rs. 73.62 Lac

The details of Company's subsidiary, associate and Joint Venture Company as on 31st March, 2019 is given in **Annexure III**

DIRECTORS

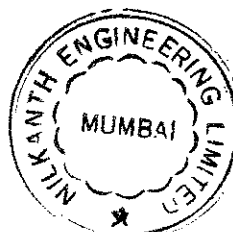
Mr. Manish Newar (DIN No: 00469539) retire by rotation from the Board and being eligible offers himself for re-appointment.

During the year, Mr. Nitin Agrawal (DIN-08186528) who was appointed as Additional Director and Managing Director at the Board Meeting held on 30th July, 2019 with effect from 1st August, 2019 and subsequently his appointment was regularized at the 35th Annual General Meeting

Further, on the recommendation of Nomination and Remuneration Committee, Mr. Anil Vithal Londhe was appointed as Chief Financial Officer at the Board Meeting held on 23rd April, 2019

INDEPENDENT DIRECTORS' MEETING:

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



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

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

DECLARATION OF INDEPENDENCE

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

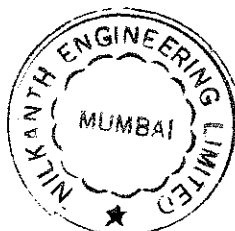
BOARD MEETINGS

During the year under review, Five meetings of the Board of Directors of the Company were held on 29.05.2018, 30.07.2018, 31.08.2018, 06.11.2018 and 06.02.2019 & Five meeting of Audit Committee were held on 29.05.2018, 30.07.2018, 31.08.2018, 06.11.2018 and 06.02.2019 . The Nomination and Remuneration Committee has also met on 30.07.2018.

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

STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

M/s Karnavat & Co., Chartered Accountants, Statutory Auditor of the Company would retire on conclusion of this Annual General Meeting on completion of their terms of appointment. Since M/s Karnavat & Co, Chartered Accountants are eligible for appointment as Statutory Auditor as per the Companies Act, 2013. The Board of Director on recommendation of the Audit Committee, recommend the appointment of M/s Karnavat & Co., Chartered Accountants, Mumbai, (Firm Registration No. 104863W), having their office at 2A, Kitab Mahal, 1st Floor, 192, D.N. Road, Mumbai 400 001 as Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting until the conclusion of 39th Annual General Meeting subject to ratification at every Annual General Meeting to be held hereafter. The consent and certificate from the said firm has been received to the effect that their appointment as Statutory Auditors of the Company, if appointed at ensuing Annual General Meeting, would be according to the terms and conditions prescribed under section 139 of the Act and Rules framed thereunder. A resolution seeking their appointment forms part of the Notice convening the 35th Annual General Meeting and the same is recommended for your consideration and approval.



AUDITORS' REPORT ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

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

CORPORATE GOVERNANCE:

Corporate Governance provisions under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 specified in regulations from 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 and para C,D,E of Schedule V are not applicable to the Company as neither the paid up equity share capital of the Company exceed Rs. 10.00 Cr nor net worth of the Company exceed Rs. 25.00 Cr as on 31st March, 2018

SECRETARIAL AUDITOR

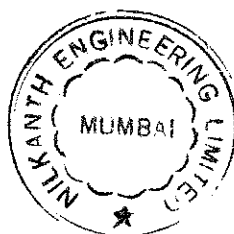
Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder the Company has appointed, Mr. Girish Murarka, Proprietor of GIRISH MURARKA & CO, Practicing Company Secretaries to undertake the secretarial audit of the Company. Secretarial Audit Report for the year 2018-19 as issued by him in the prescribed form MR-3 is annexed to this Report as **Annexure IV**. The said Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by secretarial auditor.

COST AUDIT

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

OTHER DISCLOSURES

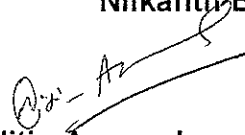
- Your Company has not issued: -
 - Any shares with differential rights;
 - Any sweat equity shares
- There are no significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.
- There were no material changes and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



APPRECIATION

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

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

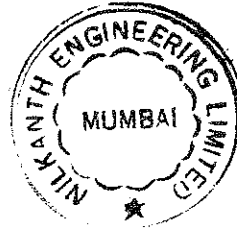


Nitin Agrawal
Managing Director
(DIN: 08186528)



G. M. Loyalka
Director
(DIN: 00299416)

Place : Mumbai
Date : 28.06.2019



Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019
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]

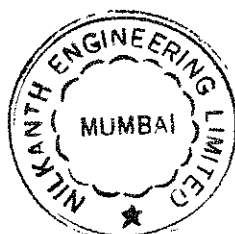
I. REGISTRATION AND OTHER DETAILS:

- 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 400 059
Tele: 022-4227 0400

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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



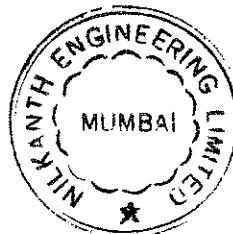
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

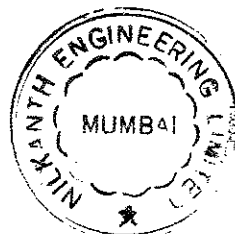
IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---------------------------------|---|---------------|---------------|-------------------|---|----------|---------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| 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 | 745000 | 0 | 745000 | 64.43 | 0 |
| d) Bank/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| e) Any other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| SUB TOTAL:(A) (1) | 0 | 745000 | 745000 | 59.84 | 745000 | 0 | 745000 | 59.84 | 0 |
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| b) Other Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |



| | | | | | | | | | |
|---|---|--------|--------|-------|--------|--------|--------|-------|---|
| c) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| d) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| e) Any other... | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| SUB TOTAL (A) (2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 0 | 745000 | 745000 | 59.84 | 745000 | 0 | 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/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| C) Central govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| d) State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| e) Venture Capital Fund | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| g) FIIS | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| SUB TOTAL (B)(1): | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | |
| i) Indian | 0 | 488000 | 488000 | 39.20 | 0 | 488000 | 488000 | 39.20 | 0 |
| ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 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 | 500000 | 40.16 | 0 | 500000 | 500000 | 40.16 | 0 |
| Total Public Shareholding | | 500000 | 500000 | 40.16 | | 500000 | 500000 | 40.16 | |

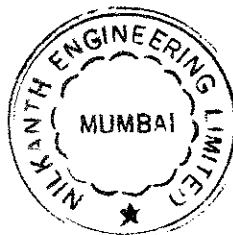


| | | | | | | | | | |
|---|----------|----------------|----------------|---------------|---------------|---------------|----------------|---------------|----------|
| (B)= (B)(1)+(B)(2) | 0 | | | | 0 | | | | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 0 | 1245000 | 1245000 | 100.00 | 745000 | 500000 | 1245000 | 100.00 | 0 |

(ii) Shareholding of Promoters

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

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



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

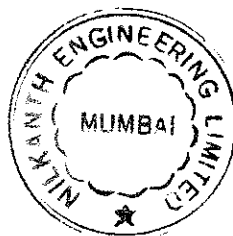
| Sr.No | For Each of the Top 10 Shareholders | Date of Change | Shareholdings at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|--|----------------|--|----------------------------------|---|----------------------------------|
| | | | No. of shares | % of total shares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

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

(V). INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans Amount (Rs.) | Deposits | Total Indebtedness Amount (Rs.) |
|--|----------------------------------|------------------------------|------------|---------------------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount* | Nil | 21,00,00,000 | Nil | 21,00,00,000 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | Nil | Nil | Nil | Nil |



| | | | | |
|---|------------|---------------------|------------|---------------------|
| Change in Indebtedness during the financial year | | | | |
| * Addition | Nil | 32,00,00,000 | Nil | 32,00,00,000 |
| * Reduction | Nil | 21,00,00,000 | Nil | 21,00,00,000 |
| Net Change | Nil | 11,00,00,000 | Nil | 11,00,00,000 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | Nil | 32,00,00,000 | Nil | 32,00,00,000 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | Nil | 32,00,00,000 | Nil | 32,00,00,000 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:
During the year, Remuneration paid to Managing Director is Rs. 9,14,400/- (inclusive of Medical Reimbursement of Rs. 15,000/- and Leave Travel Allowance of Rs. 36,000/-)

B. Remuneration to other directors: Nil

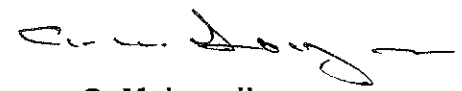
C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD:

| Sr. No. | Name of the Employee | Designation | Total Remuneration Paid |
|---------|----------------------|--|-------------------------|
| 01 | Prathmesh Sonsurkar | Company Secretary and Compliance Officer | 2,40,000/- |

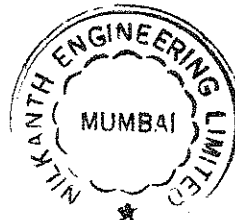
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

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


Nitin Agrawal
Managing Director
(DIN: 08186528)


G. M. Loyalka
Director
(DIN: 00299416)

Place : Mumbai
Date : 28.06.2019



Annexure II

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

(i) Remuneration paid to Company Secretary during FY 2018-19 is Rs. 2,40,000/-

During the year 2018-19, Remuneration paid to Managing Director is Rs. 9,14,400/- (inclusive of Medical Reimbursement of Rs. 15,000/- and Leave Travel Allowance of Rs. 36,000/-). No Remuneration paid to other Directors.

Hence ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year is Nil;

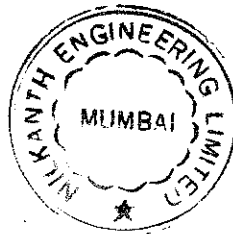
(ii) The median remuneration of employee during FY 2018-19 was Rs. 2,40,000/-

(iii) In the FY 2018-19, there was no increase in the Remuneration of the Employee.

(iv) There were only One employee on the pay roll of the Company as on 31.03.2019.

(v) There was no Average Percentage increase in the Salary of the Employee.

(vi) It is hereby affirmed that the remuneration is paid as per the remuneration policy.



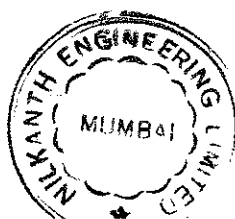
Annexure III

**Statement containing salient features of the financial statement of subsidiaries/
associate companies/ joint ventures
Part "A": Subsidiaries**

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

The following information shall be furnished:-

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



Part "B" : Associate Companies / Joint Ventures

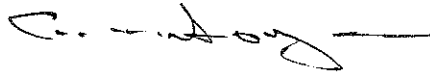
| Name of Associates/Joint Ventures | Jatayu Textiles & Industries Limited | Osiris Online Private Limited | Sushree Trading Limited |
|--|---|---|---|
| 1. Latest audited Balance Sheet Date | 31.03.2019 | 31.03.2019 | 31.03.2019 |
| 2. Date on which the associate or Joint Venture was associated or acquired | 31.10.2012 | 26.02.2010 | 31.12.2011 |
| 3. Shares of Associate/Joint Ventures held by the company on the year end | | | |
| No. | 573900 | 3000 | 528250 |
| Amount of Investment in Associates/Joint Venture | 1,83,70,553/- | 30,075/- | 1,54,41,534/- |
| Extend of Holding % | 28.81% | 30.00% | 42.43% |
| 4. Description of how there is significant influence | Since the Company holds more than 20% equity capital, significant influence is assumed. | Since the Company holds more than 20% equity capital, significant influence is assumed. | Since the Company holds more than 20% equity capital, significant influence is assumed. |
| 5. Reason why the associate/joint venture is not consolidated | N.A | N.A | N.A |
| 6. Networth attributable to Shareholding as per latest audited Balance Sheet | 2,40,38,886/- | 19,70,158/- | N.A |
| 7. Profit / Loss for the year | | | 3,29,81,832/- |
| i. Considered in Consolidation | 4,84,916/- | 4,887/- | |
| ii. Not Considered in Consolidation | -- | -- | (31,23,508) |
| | | | -- |

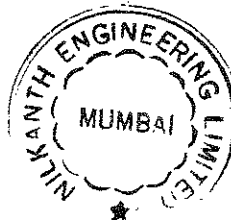
The following information shall be furnished:-

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

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


Nitin Agrawal
Managing Director


G. M. Loyalka
Director



NILKANTH ENGINEERING LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

During the year under review some major financial companies defaulted thereby affecting the liquidity in the markets. NBFCs too witnessed decline in disbursements and margin contraction due to rising cost of funds.

Opportunities and Threats

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

The Capital market activities in which most of our activities depends on is also influenced by global events happening in the US, UK and China, hence there is an amount of uncertainty in the near term outlook of the market.

Segment-wise-Performance

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

Future Outlook

The liquidity crisis coupled with increasing stress on the corporate segment warrants caution. The global economy and overseas factors exerts pressure in the capital market. Also within India visible slow down has been observed even in the defensive sector like Fast Moving Consumer Goods. The advent and Prediction of Mansoon is also key factor to be watched


Your Company continue to see the significant opportunity in the market and will use periods of interim weakness as investment opportunities on long term.

Risk and concerns

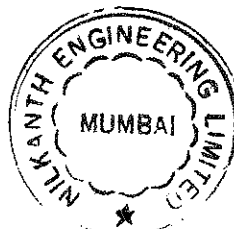
Your Company is more dependent on the Indian Capital markets for its return. Even though it is envisaged that Indian stock market will continue to do well, but global concern can result in sharp corrections.

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


Nitin Agrawal
Managing Director
(DIN: 08186528)


G. M. Loyalka
Director
(DIN: 00299416)

Place : Mumbai
Date : 28.06.2019



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

The Board of Directors
NILKANTH ENGINEERING LIMITED

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


1. We have reviewed the financial statement and Cash Flow Statement both on standalone and consolidated basis for the year ended on 31.03.2019 and to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material facts or contain any statement that might be misleading.
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standard, applicable laws and regulations.
2. We are to be best of their knowledge and belief, no transaction entered into by the Company during year ended 31st March, 2019 which are fraudulent, illegal of violating of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any of which we are aware and the steps have been taken or proposed to take to rectify these deficiencies.
4. We have indicated to the Auditors and Audit Committee that there is no:
 - a) significant changes in the internal controls over financial reporting
 - b) significant change in accounting policies and the same have been disclosed in the notes to the financial statements and
 - c) instances of significant fraud of which we have become and the involvement therein, if any, of the management or employee having a significant role in the Company's internal control system over financial reporting.

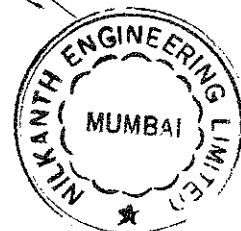
For Nilkanth Engineering Ltd


Nitin Agrawal
Managing Director
(DIN – 08186528)

Place :Mumbai,
Dated : 28.06.2019

For Nilkanth Engineering Ltd


G. M. Loyalka
Director
(DIN – 00299416)



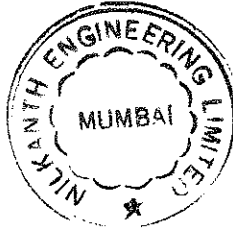
DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Board Members and the Senior Management Personnel have confirmed compliance with Code of Conduct for the year ended 31st March, 2018

For Nilkanth Engineering Limited


Nitin Agrawal
Managing Director
(DIN – 08186528)

Place :Mumbai,
Dated : 28.06.2019



GIRISH MURARKA & CO.

Company Secretaries

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

Phone (O) : 2839 2294

Email : girishmurarka@gmail.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

To,

The Members

NILKANTH ENGINEERING LIMITED

407, Kalbadevi Road,

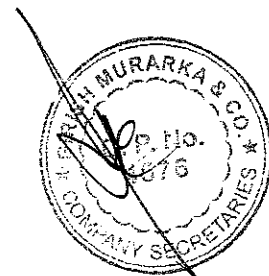
3rd Floor, Daulat Bhavan,

Mumbai 400 002

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to corporate practices by **NILKANTH ENGINEERING LIMITED** (herein after called "the Company") for the audit period covering the financial year ended on 31st March, 2019. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter :

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in the Annexure I, for the financial year ended on March 31, 2019, 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
 - 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



GIRISH MURARKA & CO.

Company Secretaries

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

Phone (O) : 2839 2294

Email : girishmurarka@gmail.com

- 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 (Registrar to 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 system and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulation 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. 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)
4. I further report that –

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

Adequate notice is given to all the Directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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

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



GIRISH MURARKA & CO.

Company Secretaries

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

Phone (O) : 2839 2294

Email : girishmurarka@gmail.com

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

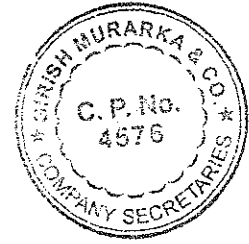
- i) Public Issue of Equity Shares & Equity Warrants / Sweat Equity
- ii) Buy-back of securities
- iii) Merger / Amalgamation / Reconstruction etc.
- iv) Foreign Technical Collaborations.

Place : Mumbai

Date : June 28, 2019



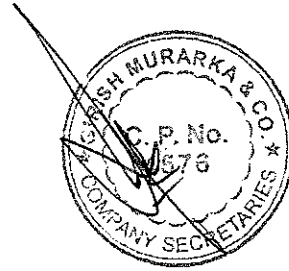
GIRISH MURARKA
Proprietor
Girish Murarka & Co.
ACS No. 7036
CP No. 4576



ANNEXURE – I

List of documents verified:

1. Memorandum & Articles of Association of the Company
2. Annual Report for the financial year ended March 31, 2018 and March 31, 2019
3. Minutes of meeting of Board of Directors, Audit Committee, Nomination & Remuneration Committee along with attendance register held during the financial year under report
4. Minutes of General Body Meeting held during the financial year under report
5. Statutory Registers
6. Agenda papers provided to all the Directors / Members for the Board Meeting and Committee Meeting
7. Declaration received from Directors of the Company pursuant to the provisions of section 184 of the Companies Act, 2013
8. E-forms filed by the Company, from time to time, under the applicable provisions of the Companies Act, 1956/ 2013 and attachments thereof during the financial year under report.



INDEPENDENT AUDITORS' REPORT
ON CONSOLIDATED FINANCIAL STATEMENTS

**TO THE MEMBERS OF
NILKANTH ENGINEERING LIMITED**

1. Opinion

We have audited the accompanying consolidated financial statements of **NILKANTH ENGINEERING LIMITED** (hereinafter referred to as the "Parent Company") and its three Associate Companies (together referred to as "Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, the consolidated statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2019, of consolidated loss and of consolidated cash flows for the year then ended.

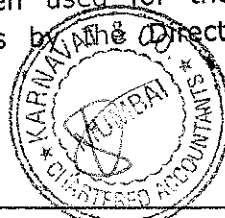
2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

(Cont..2)



* 2 *

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

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

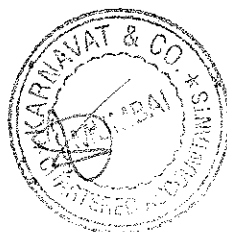
4. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion, The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(Cont..3)



* 3 *

- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

5. Other Matters

The financial statements/information comprised in the Group's Consolidated Financial Statements are inclusive of Rs.26,26,177/- being the Parent Company's share in the net Loss of its three associate companies for the year ended 31st March, 2019, which financial statements/financial information have not been audited by us. These financial statements have been audited by other auditors, whose reports have been furnished to us by the management of the Parent Company and our opinion on the consolidated financial statements, in so far as it relates to the said amounts and disclosures is based solely on the report of such other auditors.

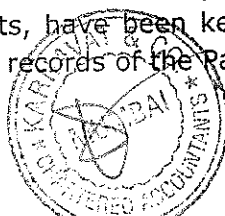
Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management.

6. Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law to be maintained by the Group including relevant records relating to preparation of the aforesaid consolidated financial statements, have been kept so far as it appears from our examination of those books and records of the Parent Company;

(Cont..4)



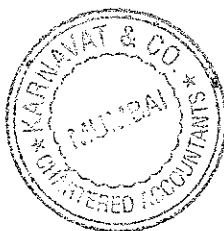
* 4 *

- 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 Group for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors of the Group Companies as on March 31, 2019, and taken on record by the respective Board of Directors, none of the directors of the Group Companies is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

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

- g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls relevant to the Parent Company's preparation of the consolidated financial statements, we refer to Annexure-B of our report of even date on the standalone financial statements of the Parent Company; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report that:
- i) There were no pending litigations which would impact the consolidated financial position of the Group.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company and its Associate Companies.

Place : Mumbai
Dated: 28-06-2019



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, 2019

| | Notes | As at 31-03-2019 Rs. | As at 31-03-2018 Rs. |
|----------------------------------|-------|----------------------------|----------------------------|
| I EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Fund | | | |
| Share Capital | 2 | 1,24,50,000 | 1,24,50,000 |
| Reserves and Surplus | 3 | (85,25,677) | 86,80,463 |
| | | <u>39,24,323</u> | <u>2,11,30,463</u> |
| 2 Non-Current Liabilities | | | |
| Other Long Term Liabilities | 4 | 15,00,00,000 | 15,00,00,000 |
| 3 Current Liabilities | | | |
| Short Term Borrowings | 5 | 32,00,000 | 21,00,00,000 |
| Other Current Liabilities | 6 | 1,35,389 | 14,40,225 |
| Total | | <u>15,72,59,712</u> | <u>38,25,70,688</u> |
| II ASSETS | | | |
| 1 Non Current Assets | | | |
| Fixed Assets | | | |
| Property, Plant & Equipments | 7 | 8,66,68,505 | 9,76,84,877 |
| | | <u>8,66,68,505</u> | <u>9,76,84,877</u> |
| Non Current Investments | 8 | 6,00,80,311 | 6,27,14,016 |
| Long Term Loans and Advances | 9 | 81,53,031 | 61,26,789 |
| | | <u>6,82,33,342</u> | <u>6,88,40,805</u> |
| 2 Current Assets | | | |
| Current Investments | 10 | 4,00,269 | 3,71,533 |
| Cash and Bank Balances | 11 | 16,11,272 | 76,08,088 |
| Short Term Loans and Advances | 12 | 3,46,324 | 15,76,68,976 |
| Other Current Assets | 13 | - | 5,03,96,409 |
| | | <u>23,57,865</u> | <u>21,60,45,006</u> |
| Total | | <u>15,72,59,712</u> | <u>38,25,70,688</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: 28 JUN 2019

For and on behalf of the Board of Directors

(G.M. Loyalka)
Director
DIN : 00299416

(Nitin Agrawal)
Managing Director
DIN : 08186528

(Prathmesh R. Sonsurkar)
Company Secretary
Membership No. ACS 47297

(Anil Londhe)
Chief Financial Officer

