

NILKANTH **ENGINEERING LIMITED**

21st ANNUAL REPORT
2002 - 2003

Nilkanth Engineering Limited

Board Of Directors

L. K. Daga
B. K. Jhunjhunwala
L. P. Goenka
Manish Newar
R. D. Battar

Bankers

UCO Bank,
Churchgate,
Mumbai

Auditors

M. K. Sureka & Co.
Chartered Accountants
302, Maker Bhawan No. 3
21, New Marine Lines,
Mumbai - 400 020.

Regd. Office :

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

Nilkanth Engineering Limited**Notice**

Notice is hereby given that the Twenty First Annual General Meeting of the shareholders of Nilkanth Engineering Limited will be held on Monday, the 29th day of September, 2003 at 11.30 A.M. at the registered office of the company at 407, Kalbadevi Road, Daulat Bhavan, 3rd Floor, Mumbai – 400 002 to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account of the Company for the year ended 31st March, 2003 and the Director's and Auditor's report thereon.
2. To appoint a Director in place of Shri L. K. Daga who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri R. D. Bhattar who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

By order of the Board of Directors
Nilkanth Engineering Limited.

L. K. Daga
B. K. Jhunjhunwala
Directors

Place : Mumbai

Dated : 2nd September, 2003.

Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.**
3. Members are requested to bring their copies of annual report along with them to the annual general meeting as no extra copy of the annual report will be supplied.
4. Members are requested to send their queries at least 10 days in advance of the meeting so that the information can be made available at the meeting.
5. Members are requested to notify the company any change in their address.

Nilkanth Engineering Limited**Directors Report**

Dear Shareholders,

Yours Directors have pleasure in presenting to you Twenty First Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2003.

Financial Results

	2002-03 Rs.	2001-02 Rs.
Profit before tax	70,61,407	14,39,839
Provision for taxation	10,00,000	1,00,000
Prior period Adjustments	75,640	28,120
Profit after tax	61,37,047	13,67,959
Balance brought forward from previous year	92,51,868	81,51,877
Profit available for appropriation	1,53,88,915	95,19,836
Transfer to General Reserve	Nil	Nil
Transfer to Special Reserve	12,12,281	2,67,968
Balance carried to Balance Sheet	1,41,76,634	92,51,868

DIVIDEND

With a view to conserve the resources of the company, your Directors have not recommended any dividend for the year under review.

DIRECTORS

Shri L. K. Daga and Shri R D Bhattar, Directors of the company retire by rotation from the Board and being eligible offer themselves for re-appointment.

DIRECTOR'S 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 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 at the end of financial year ended 31st March, 2003 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 under review.

Nilkanth Engineering Limited**Employees**

The company has not employees of the category specified in Section 217(2A) of the companies Act, 1956.

Auditors

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

Auditors Report

The observations made in the Auditors Report 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 there under, your Company has obtained a Compliance Certificate from Girish Murarka & Company, Practicing Company Secretary for the financial year ended 31st March, 2003 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

There was no foreign exchange earnings or outgo during the year under review.

APPRECIATION

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

For and on behalf of Board
Nilkanth Engineering Limited.

L. K. Daga
B. K. Jhunjhunwala

} Directors

PLACE : MUMBAI

DATE : 2nd September 03

Nilkanth Engineering Limited**REPORT OF AUDITORS TO THE MEMBERS**

We have audited the attached Balance Sheet of **M/s Nilkanth Engineering Limited** as at 31st March, 2003 and also the profit & Loss Account of the Company for the year ended on that date annexed thereto and also the Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 purpose 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 and Profit & Loss Account dealt with by this report are in agreement with the books of accounts of the Company;
- (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt by with this report comply with the accounting standards to the extent applicable referred to in sub-section (3C) of the section 211 of the Companies Act, 1956.
- (e) Based on the representations made by the Directors of the Company and taken on record by the Board of Directors and the information and explanations given to us, we report that none of the Directors is, as on 31st March, 2003, prima-facie disqualified from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Note No.3 relating to non-provision for diminution in value of investments by Rs.31,48,236/- aggregate effect of which has resulted in the profit for the year being higher by Rs.31,48,236/-, resulting in the profit for the year at Rs.29,13,170.87 as against the reported profit for the year at Rs.60,61,406.87 and aggregate profit carried to Balance Sheet would be Rs.1,10,28,398/- as against the reported profit carried to Balance Sheet of Rs.1,41,76,634/- and read together with other notes on accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2003;

ii) In the case of Profit & Loss Account, of the profit for the year ended on that date.

and

iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

As required by the Manufacturing and Other Companies (Auditor's Report) order 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and in terms of the informations and explanations given to us and on the basis of such checks as we considered appropriate, we further report that:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets have been physically verified by the Management during the year and no discrepancy has been noticed on such verification.
2. None of the Fixed Assets have been revalued during the year.
3. Since there are no finished goods, stores, spare parts and raw materials, paras 4(A) (iii),(iv),(v) and (vi) of the Order are not applicable.
4. According to the information and explanation given to us, the Company has not taken any loans from the companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or from companies under the same management as defined under the erstwhile sub-section (1B) of section 370 of the Companies Act, 1956.