

NILKANTH ENGINEERING LIMITED

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

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the shareholders of Nilkanth Engineering Limited shall be held on Thursday, the 30th day of September, 2004 at 1.30 P.M. 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 Profit & Loss Account of the company for the year ended on 31st March, 2004 and the Directors' and Auditors' report thereon.
2. To appoint a Director in place of Shri Manish Newar who retires from office by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri B K Jhunhunwala who retires from office by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

By order of the Board of Directors



Director

PLACE : MUMBAI

DATE : 01/09/04

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 accounts along with them to the annual general meeting as no extra copy of the annual accounts 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

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DIRECTORS' REPORT TO THE SHARE HOLDERS

Dear Shareholders,

Yours Directors have pleasure in presenting to you the 22nd Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2004.

FINANCIAL RESULTS

Particulars	2003-04 Rs.	2002-03 Rs.
Profit before tax	96,95,228	70,61,407
Provision for taxation	18,00,000	10,00,000
Excess Provision for Taxation for earlier year	95,229	75,640
Profit after tax	79,90,457	61,37,047
Balance brought forward from previous year	1,41,76,634	92,51,867
Profit available for appropriation	2,21,67,091	1,53,88,915
Transfer to General Reserve	NIL	NIL
Transfer to Special Reserve	15,79,046	12,12,281
Balance carried to Balance Sheet	2,05,88,045	1,41,76,634

DIVIDEND

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

DIRECTORS

Shri Manish Newar and Shri B K Jhunjunwala retire by rotation from the Board and being eligible offer themselves 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, 2004 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 M K Sureka & Co., 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 regarding no provision for diminution in the value of investments have been duly explained in Note No. 3 of Schedule C to the accounts.

Other observations 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, 2004 confirming that the Company has complied with all the provisions of the Companies Act, 1956. A copy of such certificate is attached with this Report and forms an integral part. The observations made in the Compliance Certificate are self explanatory and therefore do not call for any comments.

REPORT ABOUT CONSERVATION OF ENERGY

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

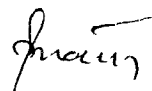
Foreign Exchange earned during the year under review — - Rs. Nil

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

APPRECIATION

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

For and on behalf of Board



Director



Director

PLACE : MUMBAI

DATE : 01/09/04

M. K. SUREKA & CO.
CHARTERED ACCOUNTANTS

302, Maker Bhavan No. 3,
 21, New Marine Lines,
 Mumbai-400 020
 Phones: 2203 7789/2208 8724

REPORT OF AUDITORS TO THE MEMBERS OF NILKANTH ENGINEERING LIMITED

We have audited the attached Balance Sheet of **Nilkanth Engineering Limited** as at 31st March, 2004 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. 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.

1. 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.
2. 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 (the Act) and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
3. Further to our comments in the Annexure referred to in paragraph 2 above, 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
 - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards to the extent applicable, referred to in sub-section (3C) of 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, 2004, 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;

