



# JAIN KAPOOR & ASSOCIATES

Chartered Accountants

## Independent Auditor's Report

To the Members of KRISHNAAV ENGINEERING LIMITED

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial



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statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 the state of affairs of the Company as at March 31, 2016, and its Profit/Loss and its Cash Flow for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial 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 as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our



**"Annexure A" to the Independent Auditors'**

Report Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1)
  - i) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - ii) According to the information and explanations given to us, the company has a regular programme of physical verification of its fixed assets in once a year. In accordance with this programme, fixed assets were verified during the year and it has been found that some of fixed assets having carrying value amounting to Rs.7,66,328.80/- was not in working condition and has nil scrap value so management has decided to write off such fixed asset. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
  - iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- 2) According to the information and explanations given to us, the company has physical verification of inventory at reasonable intervals and no material discrepancies were noticed in such verification.
- 3) According to the information and explanations given to us, the Company has not granted loan any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions during the financial year.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) The company has not required to maintained cost records as specified by the central government under sub -section (1) of section 148 of the company Act, 2013.



7)

- i) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- ii) According to the information and explanation given to us, there are dues of income tax, sales tax, outstanding on account of any dispute.

Name of the Statute	Nature of Due	Amount (Rs.) In Lakhs	Period to which the amount relates	Forum where dispute is pending
U.P VAT	VALUE ADDED TAX	352.95	2007-08 to 2012-13	High Court, Allahabad

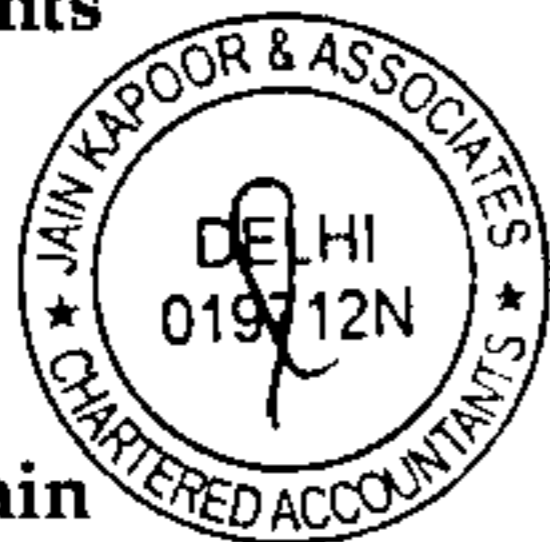
- 8) In our opinion and according to the information and explanations given to us, the Company has not taken any loans from banks. The company has not issued any debentures during the year.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.



- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of

Jain Kapoor & Associates  
Chartered Accountants  
FRN 019712N



CA. Rupal Kumar Jain  
Partner  
M. No.: 503081

Place : Delhi

Date : 2<sup>nd</sup> August, 2016

**"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of KRISHNAAV ENGINEERING LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Krishneev Engineering Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016.

For and on behalf of

Jain Kapoor & Associates  
Chartered Accountants  
FRN 019712N

  
CA. Rupal Kumar Jain  
Partner  
M. No.: 503081



Place : Delhi

Date : 2<sup>nd</sup> August, 2016

# KRISHNAAV ENGINEERING LIMITED

FLAT NO.1006,AKASHDEEP BUILDING,26/A,BARAKHAMBA ROAD,NEW DELHI  
CIN NO : U34521DL1989PLC034900



## Balance Sheet as at 31st March, 2016

Particulars	Note No	31.03.2016	31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	48,18,000.00	48,18,000.00
(b) Reserves and Surplus	3	1,05,98,988.68	36,13,787.03
(c) Money received against share warrants		-	-
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	5,00,00,000.00	5,00,00,000.00
(b) Deferred tax liabilities (Net)	5	-	1,55,698.60
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	6	-	9,99,49,312.07
(b) Trade payables	7	2,21,19,299.46	1,06,67,105.92
(c) Other current liabilities & Short-term provisions	8	56,61,080.44	2,58,86,378.30
<b>Total</b>		<b>9,31,97,368.58</b>	<b>19,50,90,281.92</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
<i>(a) Fixed assets</i>			
(i) Tangible assets	9	2,97,65,164.22	3,29,34,719.77
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	10	3,00,00,000.00	3,00,00,000.00
(c) Deferred tax assets (net)	5	1,57,832.80	-
(d) Long term loans and advances	11	11,74,509.00	11,74,509.00
(e) Other non-current assets		-	-
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories	12	23,03,442.25	85,46,607.58
(c) Trade receivables	13	2,20,46,926.83	70,70,840.55
(d) Cash and cash equivalents	14	21,23,591.66	10,17,37,990.49
(e) Short-term loans and advances	15	53,43,832.34	69,34,006.05
(f) Other current assets	16	2,82,069.48	66,91,608.48
<b>TOTAL</b>		<b>9,31,97,368.58</b>	<b>19,50,90,281.92</b>

Summary of significant accounting policies 1

The notes referred above form an integral part of the financial statement.

As per our report of even date.

For Jain Kapoor & Associates

Firm Regd No.019712N

Chartered Accountants

CA. Rupal Kumar Jain

Partner

Membership No. 503081

Place : New Delhi

Date : 02-08-2016



For and on behalf of Board of Directors of  
Krishnaav Engineering Limited

*Revati Talwar*

Revati Talwar  
Managing Director  
DIN NO-07262488

*Navin Chandra Agarwal*

Navin Chandra Agarwal  
Director  
DIN NO-00188367



**P & L A/c for the year ended 31st March, 2016**

	Particulars	Note No	31.03.2016	31.03.2015
I.	Revenue from operations	17	141,714,137.63	96,639,032.62
II.	Other Income	18	53,178,582.87	52,813,119.06
III.	<b>Total Revenue (I +II)</b>		<b>194,892,720.50</b>	<b>149,452,151.68</b>
IV.	<u>Expenses:</u>			
	Cost of materials consumed	19	94,986,284.49	60,035,156.35
	<u>(Increase)/decrease in inventories of-</u>			
	Semi/Finished Goods		4,581,788.70	1,720,070.15
	Employee benefit expense	20	7,668,448.37	8,734,005.00
	Financial costs	21	1,901,031.79	1,347,090.93
	Depreciation and amortization expense		4,441,545.74	5,494,457.86
	Other Administrative & Operational Expenses	22	71,771,928.44	68,899,844.17
	<b>Total Expenses (IV)</b>		<b>185,351,027.54</b>	<b>146,230,624.46</b>
V.	Profit before exceptional and extraordinary items and tax (III - IV)		<b>9,541,692.96</b>	<b>3,221,527.22</b>
VI.	Exceptional Items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		<b>9,541,692.96</b>	<b>3,221,527.22</b>
VIII.	Extraordinary Items		<b>622,390.72</b>	<b>8,114,096.68</b>
IX.	Profit before tax (VII - VIII)		<b>8,919,302.24</b>	<b>(4,892,569.46)</b>
X.	Tax expense:			
	(1) Current tax		2,247,632.00	(27,878.50)
	(2) Earlier Year Taxes		-	-
	(3) Deferred tax		(313,531.40)	(547,662.40)
XI.	Profit/(Loss) for the period (IX-X)		<b>6,985,201.64</b>	<b>(4,317,028.56)</b>
XII.	Transfer to Reserves		-	-
	(1) Proposed Dividend		-	-
	(2) Dividend Tax		-	-
	(3) Transfer to General Reserves		-	-
	(3) Transfer to Debenture Redemption Reserves		6,985,201.64	-
XIII.	Profit/(Loss) for the period (XI - XII)		<b>0.00</b>	<b>(4,317,028.56)</b>
XIV.	Earning per equity share:			
	(1) Basic		0.00	(8.96)
	(2) Diluted		0.00	(8.96)

Summary of significant accounting policies  
 The notes referred above form an integral part of  
 the financial statement.

As per our report of even date.

For Jain Kapoor & Associates

Firm Regd No.019712N

Chartered Accountants

CA. Rupal Kumar Jain  
 Partner  
 Membership No.503081  
 Place : New Delhi  
 Date : 02-08-2016



For and on behalf of Board of Directors of  
 Krishnaav Engineering Limited

Revati Talwar

Revati Talwar  
 Managing Director  
 DIN NO-07262488

Navin Chandra Agarwal  
 Director  
 DIN NO-00188367

**KRISHNAAV ENGINEERING LIMITED**  
**FLAT NO.1006,AKASHDEEP BUILDING,26/A,BARAKHAMBA ROAD,NEW DELHI**  
**CIN NO : U34521DL1989PLC034900**



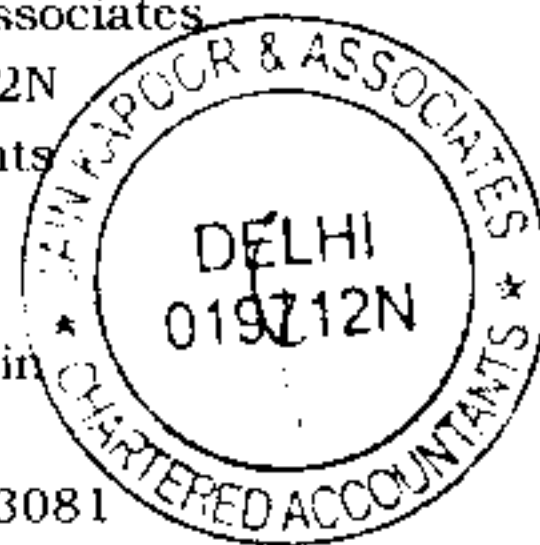
**Statement of Cash Flow for the year ended March 31, 2016**

	TOTAL (31.03.2016)	TOTAL (31.03.2015)
<b>A. Cash Flow from operating Activities</b>		
Net Profit Before Tax	89,19,302.24	(48,92,569.45)
<b>Adjustment for :</b>		
Adjustment in capital reserve	-	(3,89,243.51)
Depreciation	44,41,545.76	54,94,458.09
Interest Expenses	19,01,031.79	13,47,090.93
Interest income	(23,82,229.94)	(16,84,137.96)
(Profit)/Loss on Sale of Fixed Assets	-	-
(Profit)/Loss on sale of investment	-	-
Assets Write - off	7,66,328.80	-
Exceptional Item	-	-
Unrealised (Gains)/Loss on restatement of Monetary Assets	-	-
Unrealised(Gain)/ loss on restatement of Monetary Liabilities	-	-
Dividends Received	-	-
Dividend Tax	-	-
<b>Operating profit before Working Capital Changes</b>	<b>1,36,45,978.65</b>	<b>(1,24,400.90)</b>
<b>Movement in Working Capital</b>		
Decrease / (Increase) in Sundry Debtors	(1,49,76,086.28)	8,01,897.33
Decrease / (Increase) in Inventories	62,43,165.33	17,83,852.69
Decrease / (Increase) in Loans and Advances	15,90,173.71	(22,68,752.29)
Decrease / (Increase) in Other Current Assets	64,09,539.00	19,25,017.22
Increase/ (Decrease)in Current Liabilities	1,14,52,193.54	(20,76,460.81)
Increase/ (Decrease)in Provisions	(2,02,25,297.86)	(6,67,870.06)
Direct Taxes (Net of Refunds)	(22,47,632.00)	27,878.50
<b>Net Cash from operating Activities</b>	<b>18,92,034.10</b>	<b>(5,98,839.32)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(20,38,319.00)	(19,53,236.40)
Investments made	-	-
Proceeds from sale of fixed assets	-	-
Sale of Investment	-	-
Interest Received	23,82,229.94	16,84,137.96
Dividend Received	-	-
<b>Net Cash from Investing Activities</b>	<b>3,43,910.94</b>	<b>(2,69,098.44)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of share capital including share premium	-	-
Proceeds from borrowings	-	8,37,45,894.54
Repayment of borrowings	(9,99,49,312.07)	(13,47,090.93)
Interest Paid	(19,01,031.79)	-
Dividend Paid	-	-
<b>Net Cash used in Financing Activities</b>	<b>(10,18,50,343.86)</b>	<b>8,23,98,803.61</b>
<b>Net Increase/ (Decrease) in cash and Cash Equivalents (A+B+C)</b>	<b>(9,96,14,398.83)</b>	<b>8,15,30,865.85</b>
As at 31 March ,2016		
Cash and Cash Equivalents (Opening Balance)	<b>10,17,37,990.49</b>	<b>2,02,07,124.64</b>
Cash and Cash Equivalents (Closing Balance)	<b>21,23,591.66</b>	<b>10,17,37,990.49</b>
	<b>(9,96,14,398.83)</b>	<b>8,15,30,865.85</b>

As per our report of even date.

For Jain Kapoor & Associates  
 Firm Regd No.019712N  
 Chartered Accountants

CA. Rupal Kumar Jain  
 Partner  
 Membership No.: 503081  
 Place : New Delhi  
 Date : 02-08-2016



For & On behalf of the Board of Directors of  
 Krishnaav Engineering Limited

Revati Talwar  
 Managing Director  
 DIN NO-07262488

Navin Chandra Agarwal  
 Director  
 (DIN-00188367)

**Note: 1 significant accounting policies****1. Basis of preparation**

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013, as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for the change in the accounting policy for depreciation as explained in Note 2 of "other notes to financial statement".

**2. Use of Estimates**

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in the current and future periods.

**3. Fixed Assets & Depreciation**

The gross block of fixed assets is stated at cost of acquisition or construction including any attributable cost of bringing the asset to its working condition for its intended use. The fixed assets of the company were revalued during the year 2000-2001. The amount of modvat received on the fixed assets in Ghaziabad unit has been adjusted from the total cost of the asset and in Parwanoo unit it has been included in cost of acquisition of fixed asset as company is not liable to pay excise duty as it is claiming exemption. Depreciation on fixed assets has been provided on all assets on written down value method as calculated as per useful life prescribed in schedule II to Companies Act, 2013. Depreciation has been charged on pro-rata basis w.e.f. the date of Purchase/Installation/put to use of the assets.

**4. Impairment of Assets**

At each Balance Sheet date, the carrying amount of assets is reviewed for impairment so as to determine the provision for impairment loss, if any, required OR the reversal, if any, required of impairment loss recognized in previous periods. Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

**5. Revenue recognition**

Sale is recognized at the point of dispatch to customer's destination from the factory. The sales are inclusive of excise duty and exclusive of sales tax/VAT.

**6. Provisions & Contingencies**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

**7. Excise Duty**

In Ghaziabad Unit the cenvat credit of excise duty received on purchase of raw materials and stores is credited to their respective purchase account and thus, the consumption of raw material and stores is net of excise duty cenvat received.



**Krishnaav Engineering Limited**  
**Notes to financial statements for the year ended 31 March, 2016**

In Parwanoo unit the cenvat credit of excise duty is not available therefore excise duty included in purchase account and thus, the consumption of raw material and stores is includable excise duty

**8. Employee covered U/r 5 sub rule (2)**

There was no employee of the company are covered U/r 5 sub rule (2) of the Companies (appointment and remuneration of managerial personnel) Rules, 2014.

**9. Retirement Benefits**

**I. Provident Fund**

Company's contributions towards Provident Fund are made in accordance with provisions of the Employee's Provident fund and Misc. Provisions Act, 1952 and are treated as Revenue Expenditure.

**II. Leave Encashment**

Liability in respect of balance of accrued Leave standing in individual employees name has been provided for in the accounts on the basis of actual valuation.

**III. Gratuity**

As certified by the management of the company, during the year under consideration, none of the employee has completed qualifying period in terms of Payment of Gratuity Act.



## KRISHNAAV ENGINEERING LIMITED

FLAT NO.1006,AKASHDEEP BUILDING,26/A,BARAKHAMBA ROAD,NEW DELHI

CIN NO : U34521DL1989PLC034900

### Notes to Accounts

*(all values in Rupees, except otherwise stated)*

#### 2 Share Capital

The Company has only one class of share capital having a par value of Rs. 10 per share, referred to herein as equity share.

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	Amount (Rs.)	Number	Amount (Rs.)
<b>Authorised Share Capital</b> Equity Shares of Rs. 10 each	14,00,000	1,40,00,000	14,00,000	1,40,00,000
<b>Issued &amp; Subscribed Share Capital</b> Equity Shares of Rs.10 each	4,81,800	48,18,000	4,81,800	48,18,000
<b>Paid Up Share Capital</b> Equity Shares of Rs.10 each	4,81,800	48,18,000	4,81,800	48,18,000
<b>Total</b>	4,81,800	48,18,000	4,81,800	48,18,000

#### 2.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares			
	As at March 31, 2016		As at March 31, 2015	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	4,81,800	48,18,000	4,81,800	48,18,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	4,81,800	48,18,000	4,81,800	48,18,000

#### 2.2 Terms & rights attached to equity shares

The company has only one class of equity share having par value of Rs 10 per equity share. Each holder of the equity shares (including partly paid up shares) is entitled to 1(one) vote per share.

#### 2.3 Shares held by its holding company, ultimate holding company and their subsidiaries/associates

Particulars	Nature of Relationship	As at March 31, 2016	As at March 31, 2015
<b>Equity Shares</b>			
Rs.10/- each fully paid (Allied Nippon Limited)	<b>Holding Company</b>	4,81,800	4,81,800
		4,81,800	4,81,800

#### 2.4 Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

NIL

NIL



2.5 Aggregate number of Bonus shares issued during the period of five years immediately preceding the reporting date NIL NIL

2.6 Details of shareholders holding more than 5% shares in the company

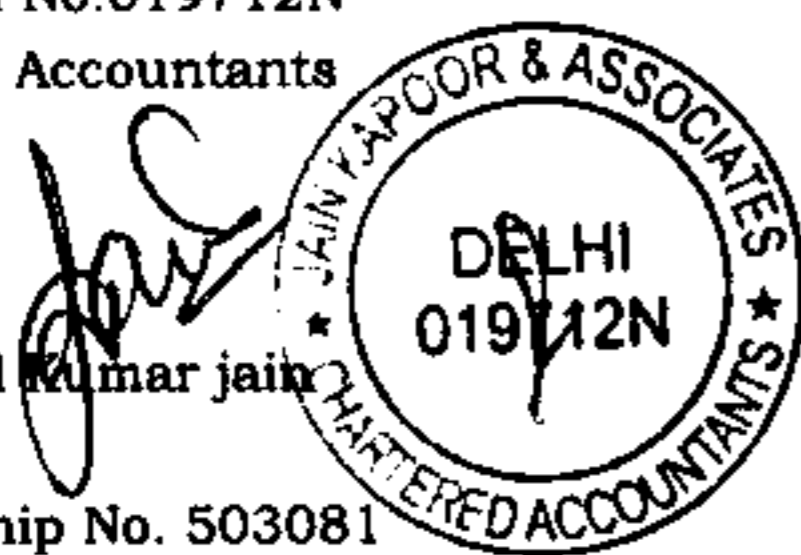
Name of Shareholder	Equity Shares			
	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Allied Nippon Limited	4,81,800	100.00%	4,81,800	100.00%

2.7 Aggregate number shares on which calls are unpaid during the reporting period or immediately preceding reporting period. NIL NIL  
(Partly paid up shares, calls not yet made by the company)

2.8 Aggregate number shares forfeited during the reporting period or immediately preceding reporting period. NIL NIL

For Jain Kapoor & Associates  
Firm Regd No.019712N  
Chartered Accountants

CA. Rupal Kumar Jain  
Partner  
Membership No. 503081



For and on behalf of Board of Directors of  
Krishnaav Engineering Limited

Revati Talwar  
Revati Talwar  
Managing Director  
DIN NO-07262488

Navin Chandra Agarwal  
Director  
DIN NO-00188367

Place : New Delhi  
Date : 02-08-2016

**Notes to financial statements for the year ended 31 MARCH 2015**

**NOTES OF BALANCE SHEET AS AT 31st March, 2016**  
**FLAT NO.1006,AKASHDEEP BUILDING,26/A,BARAKHAMBA ROAD,NEW DELHI**  
**CIN NO : U34521DL1989PLC034900**

Note No	Particulars	31.03.2016	31.03.2015
<b>3</b>	<b>Reserves and Surplus</b>		
	Fixed Assets Revaluation Reserve	2,070,983.97	2,070,983.97
	Surplus/(deficit) in the statement of profit and loss		
	Balance as per last financial statements	1,542,803.07	5,859,831.62
	Profit for the Current year	0.00	(4,317,028.55)
	Sub Total	1,542,803.07	1,542,803.07
	Debenture Redemption Reserve*	6,985,201.64	-
	<b>Total</b>	<b>10,598,988.68</b>	<b>3,613,787.04</b>

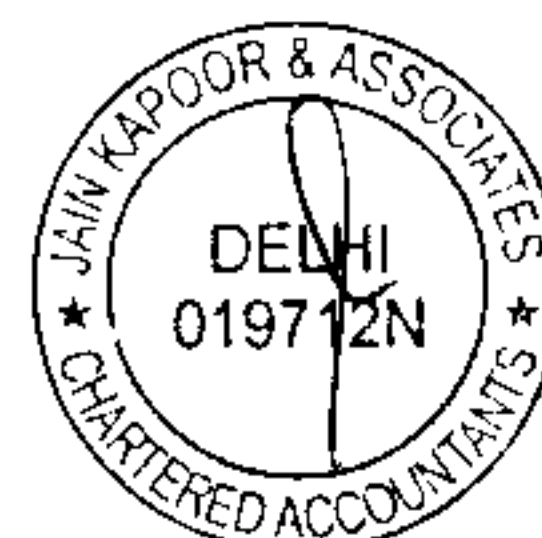
\* During the year company created DRR against 0% Optionally convertible Debenture of Allied Nippon Limited.

<b>4</b>	<b>Long-term borrowings</b>		
	<b>Secured</b>	-	-
	<b>Total(A)</b>	-	-
	<b>Unsecured</b>		
	0% Optionally Convertible Debenture *	50,000,000.00	50,000,000.00
	(50 Lac (P.Y 50 lac) Nos. of debentures issued at Rs. 10 each )		
	<b>Total(B)</b>	<b>50,000,000.00</b>	<b>50,000,000.00</b>
	<b>Total(A+B)</b>	<b>50,000,000.00</b>	<b>50,000,000.00</b>

\*The 0% optionally convertible debentures have been issued by the company for tenure of 10 years. The allotment for the same commenced on 03.01.2014. The debenture holders have right to get the same redeemed, either partially or fully at any time after one year but before 10 years from the date of its allotment by giving 60 days notice to Board of directors. In the absense of option of such redemption, being exercised by debenture holder before the expiry of the tenure. i.e. 10 years, the debentures shall be converted after completion of its tenure into equity shares in ratio of 1:1.

<b>5</b>	<b>Deferred Tax Liabilities/Assets (Net)</b>		
	<b>Deferred tax liability</b>		
	Balance b/f from previous period	155,698.60	703,361.00
	On account of depreciation	(235,025.32)	(525,861.77)
	<b>Total(A)</b>	<b>(79,326.72)</b>	<b>177,499.23</b>
	<b>Deferred tax assets</b>		
	Unabsorbed losses and depreciation as per Income Tax Act, 1961	-	-
	Provision for bonus	78,506.08	21,801.00
	Provision for retirement benefits	-	-
	Others - preliminary expenses	-	-
	<b>Total(B)</b>	<b>78,506.08</b>	<b>21,801.00</b>
	<b>Net deferred tax liabilities/(assets) (A - B)</b>	<b>(157,832.80)</b>	<b>155,698.23</b>

\* In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' the net decrease in deferred tax liabilities of Rs. 3,13,531.40 has been recognised as benefit in the statement of profit and loss. The effect of significant timing differences as at March 31, 2016 that reverse in one or more subsequent years give rise to the following net deferred tax assets.



**Notes to financial statements for the year ended 31 MARCH 2016**

Note No	Particulars	31.03.2016	31.03.2015
6	<b>Short-tems borrowings</b>		
	<b>Secured</b>		
	Overdraft Limit: - Yes Bank Ltd.*	-	99,949,312.07
	Total(A)	-	99,949,312.07
	<b>Unsecured</b>		
Total(B)	-	-	
	<b>Total(A+B)</b>	-	<b>99,949,312.07</b>

\* Over draft facility is adjusted against the fixed deposit from Yes Bank during the year.

7	<b>Trade Payables</b>		
	Trade Payables*	22,119,299.46	10,667,105.92
	<b>Total</b>	<b>22,119,299.46</b>	<b>10,667,105.92</b>

\*Balance of Trade Payable are subject to confirmation and reconciliation with the respective parties.

8	<b>Other current liabilities</b>		
	Advance from Customers	-	22,360,845.08
	Duties & Taxes Payables		
	- TDS Payable	130,343.10	214,730.00
	- Service Tax Payable	29,405.00	64,128.00
	- Excise duty Payable	-	-
	- VAT & CST Payable	412,187.34	206,438.27
	- Entry Tax Payable	20,529.00	20,398.00
	- Swach Bharat Cess	611.00	-
	Bonus Payable	180,619.00	22,802.00
	Providend Fund Payable	110,281.00	167,576.00
	E.S.I Payable	27,619.00	36,124.43
	Salaries Payable	341,486.00	488,855.00
	Wages Payable	332,511.00	387,236.00
	Electricity Payable	1,263,874.00	1,338,562.00
	Audit Fees Payable	198,000.00	180,000.00
	Legal & Professional Expense Payable	162,000.00	162,000.00
	Other Expenses Payable	203,983.00	264,562.01
	Provision for Income Tax	2,247,632.00	(27,878.50)
	<b>Total</b>	<b>5,661,080.44</b>	<b>25,886,378.29</b>

10	<b>Non-Current Investments</b>		
	Investment in Convertible Debentures* (30 Lacs (P.Y.30 Lacs) Nos. of debentures of Rs. 10 each for 10 years)	30,000,000.00	30,000,000.00
	<b>Total</b>	<b>30,000,000.00</b>	<b>30,000,000.00</b>

\* Unquoted and non-trade, 0% optionally convertible debentures in Allied Motors Limited. The Company being debenture holder have right to get the same redeemed, either partially or fully at any time after 9 months but before 10 years from the date of its allotment and if company does not exercise its option the debentures after completion of tenure i.e. 10 years will be converted into equity share in ratio of 1:1.





Notes to financial statements for the year ended 31 MARCH 2016

Note No	Particulars	31.03.2016	31.03.2015
11	<b>Long Term Loans and Advances</b>		
	Unsecured considered good Security Deposits*	1,174,509.00	1,174,509.00
	<b>Total</b>	<b>1,174,509.00</b>	<b>1,174,509.00</b>

\*It includes security deposits with Himachal Pradesh Electricity Board and Uttar Pradesh Electricity Board .

12	<b>Inventories</b> (At lower of cost and net realisable value )		
	Raw material	1,311,659.65	2,162,083.09
	Finished Goods	-	-
	Semi-Finished Goods(Work in Progress)	138,663.90	4,720,452.60
	Consumable Stores	655,616.70	1,543,825.49
	Diesel	197,502.00	120,246.40
	<b>Total</b>	<b>2,303,442.25</b>	<b>8,546,607.58</b>

\* As per inventories taken and valued in terms of accounting policy no.22(g), verified and certified by the management.

13	<b>Trade Receivable</b>		
	<b>Outstanding for a period exceeding six months from the date they are due for payment.</b>		
	- Unsecured and considered good	-	463,654.00
	- Unsecured and considered doubtful	-	-
	<b>Total(A)</b>	<b>-</b>	<b>463,654.00</b>
	<b>Outstanding for a period less than six months from the date they are due for payment.</b>		
	- Unsecured and considered good	22,046,926.83	6,607,186.55
	- Unsecured and considered doubtful	-	-
	<b>Total(B)</b>	<b>22,046,926.83</b>	<b>6,607,186.55</b>
	<b>Total(A+B)</b>	<b>22,046,926.83</b>	<b>7,070,840.55</b>

14	<b>Cash and cash equivalents</b>		
	<b>Balance With Banks</b>		
	- Syndicate Bank Current Account	191,089.27	(8,751.62)
	- Yes Bank Current Account	1,734,165.66	-
	- Punjab National Bank Current Account	22,897.14	40,444.07
	- Fixed Deposit with Yes Bank*	-	100,007,536.86
	- Interest Accured on Fixed Deposit with Yes Bank*	-	1,520,510.64
	<b>Total(A)</b>	<b>1,948,152.07</b>	<b>101,559,739.95</b>
	<b>Cash in hand</b>		
		175,439.59	178,250.54
	<b>Total(B)</b>	<b>175,439.59</b>	<b>178,250.54</b>
	<b>Total(A+B)</b>	<b>2,123,591.66</b>	<b>101,737,990.49</b>

\* Fixed deposit along with accrued interest is adjusted against the over draft facility from Yes Bank during the year.



**Notes to financial statements for the year ended 31 MARCH 2016**

Note No	Particulars	31.03.2016	31.03.2015
<b>15</b>	<b>Short term loans and advances</b>		
	<b>Capital advances</b>		
	Unsecured considered good		
	Advance Recoverable in cash or in kind or for value to be considered good	-	-
	<b>Total(A)</b>	-	-
	<b>Security deposits</b>		
	Unsecured considered good	-	-
	<b>Total(B)</b>	-	-
	<b>Other loans and advances</b>		
	Unsecured considered good		
	Loans, advances to employees	-	95,256.50
	Balance with revenue authorities		
	- VAT recoverable	20,347.34	395,789.06
	- Service tax recoverable	126,844.88	127,754.40
	- Excise Duty recoverable	-	335,795.36
	- Tax deducted at source	1,271,307.62	1,183,183.50
	- Income Tax	3,178,451.50	2,438,314.00
	- Others	546,726.00	546,726.00
	Prepaid Expenses	17,690.00	488,361.00
	Insurance claim recoverable**	182,465.00	1,322,826.23
	Other loan & advances	-	-
	<b>Total(C)</b>	<b>5,343,832.34</b>	<b>6,934,006.05</b>
	<b>Total(A+B+C)</b>	<b>5,343,832.34</b>	<b>6,934,006.05</b>

\*Income Tax include earlier year Taxes recoverable.

\*\* Insurance claim receivable of Parwanoo unit of Rs.1.82 Lakh vide claim no.YB897 dated 29.02.2016 due to fire.

<b>16</b>	<b>Other Current Assets</b>		
	Advance to Suppliers	282,069.48	6,691,608.48
	<b>Total</b>	<b>282,069.48</b>	<b>6,691,608.48</b>

<b>17</b>	<b>Revenue from Operations</b>		
	Domestic Sale (Gross)	146,618,097.63	93,834,518.72
	Less: Excise Duty	5,503,202.00	1,659,241.36
	Domestic Sale (Net of Excise Duty) (A)	141,114,895.63	92,175,277.36
	Sale of Scrap(Gross)	599,242.00	4,833,466.05
	Less: Excise Duty	-	369,710.79
	Sale of Scrap (Net of Excise Duty) (B)	599,242.00	4,463,755.26
	<b>Total(A+B)</b>	<b>141,714,137.63</b>	<b>96,639,032.62</b>

<b>18</b>	<b>Other Income</b>		
	Job Work	50,796,352.93	51,128,981.10
	Interest Income	2,382,229.94	1,684,137.96
	<b>Total</b>	<b>53,178,582.87</b>	<b>52,813,119.06</b>



**Notes to financial statements for the year ended 31 MARCH 2016**

Note No	Particulars	31.03.2016	31.03.2015
<b>19</b>	<b>Cost of materials consumed</b>		
	Opening Stock of Raw Material	2,162,083.09	1,636,447.70
	Add: Purchases of Raw Material	94,135,861.05	60,856,611.87
	Add/Less: Stock Loss	-	(295,820.13)
		96,297,944.14	62,197,239.44
	Less:- Closing Stock of Raw Material	1,311,659.65	2,162,083.09
	<b>Cost of materials consumed</b>	<b>94,986,284.49</b>	<b>60,035,156.35</b>
	<b>Total</b>		
<b>20</b>	<b>Employee Benefits Expense</b>		
	Salaries	5,086,434.00	6,469,155.00
	Bonus to Employees	277,301.00	107,632.00
	LTA	62,593.00	48,982.00
	Leave Salary	70,766.00	91,966.00
	Medical expenses	82,520.00	75,146.00
	PF Contribution	953,690.00	862,122.00
	E.S.I Contribution	309,209.00	271,979.00
	Staff welfare expenses	825,935.37	807,023.00
	<b>Total</b>	<b>7,668,448.37</b>	<b>8,734,005.00</b>
<b>21</b>	<b>Finance Costs</b>		
	Bank Charges & Interest	1,901,031.79	1,347,090.93
	<b>Total</b>	<b>1,901,031.79</b>	<b>1,347,090.93</b>
<b>22</b>	<b>Other Expenses</b>		
	Manufacturing Expenses	63,661,072.01	60,340,173.88
	Administrative Expenses	7,572,858.44	7,759,249.29
	Selling & Distribution Expenses	537,998.00	800,421.00
	<b>Total</b>	<b>71,771,928.44</b>	<b>68,899,844.17</b>



**KRISHNAAV ENGINEERING LIMITED**

FLAT NO.1006,AKASHDEEP BUILDING,26/A,BARAKHAMBA ROAD,NEW DELHI

CIN NO : U34521DL1989PLC034900

**LIST OF OTHER EXPENSES**

PARTICULARS	31.03.2016	31.03.2015
<b><u>MANUFACTURING EXPENSES</u></b>		
Electricity & Fuel	32,302,156.40	28,714,053.88
Stores Consumed	7,972,194.81	7,205,038.01
Job work Charges paid	7,660,980.59	11,504,336.20
Machinery Maintenance/Testing charges	3,703,841.95	3,647,970.44
Machinery Maintenance - Electrical/ Generator	122,592.90	234,675.92
Contract Labour Charges	5,667,166.00	4,160,857.00
Loading/unloading charges	126,325.00	112,978.00
Carriage Inward	211,944.36	170,845.43
Wages /Labour Charges	5,893,870.00	4,589,419.00
<b>TOTAL</b>	<b>63,661,072.01</b>	<b>60,340,173.88</b>

PARTICULARS	31.03.2016	31.03.2015
<b><u>ADMINISTRATIVE EXPENSES</u></b>		
Audit Fees	220,000.00	200,000.00
Fees for other Matters	14,025.00	9,100.00
Conveyance Expenses	174,291.50	240,227.30
Diwali Exps.	135,384.00	130,258.00
Insurance	123,568.00	157,683.00
Interest on TDS	16,239.00	15,145.00
Legal & Professional Exps.	1,007,824.60	1,049,924.50
Membership & subscription	8,100.00	8,100.00
Office Expenses	271,819.71	305,666.04
Assets Write off	766,328.80	-
Balance Write off	900,861.38	-
Other Interest	10,202.00	49,873.00
Postage & Courier	6,825.00	6,815.00
Printing & Stationery	108,889.00	103,457.58
Pollution Control Expenses	99,456.00	45,616.00
Rent Rates & Taxes	125,057.00	319,726.00
Repair & Maintt. ( Building)	706,180.60	204,542.74
Repair & Maintt. ( Other)	501,014.35	431,178.66
Telephone Exps.	181,334.40	232,084.11
Travelling & Tour Expenses	1,038,170.10	3,177,783.36
Watch & Ward Expenses	1,035,652.00	1,072,069.00
Sales Tax Demand	121,636.00	-
<b>TOTAL</b>	<b>7,572,858.44</b>	<b>7,759,249.29</b>

PARTICULARS	31.03.2016	31.03.2015
<b><u>Selling &amp; Distribution Expenses</u></b>		
Packing Expenses	31,046.00	9,758.00
Cartage Outward	506,952.00	790,663.00
<b>Total</b>	<b>537,998.00</b>	<b>800,421.00</b>



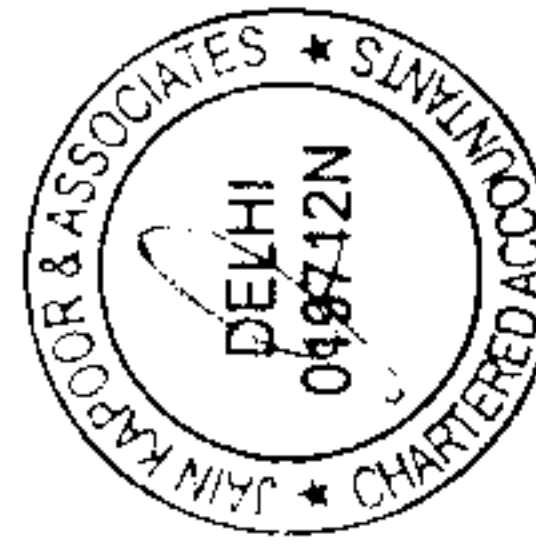
**KRISHNAAV ENGINEERING LIMITED**

FLAT NO.1006,AKASHDEEP BUILDING,26/A,BARAKHAMBA ROAD,NEW DELHI

**SCHEDULE - 9: FIXED ASSETS AND DEPRECIATION THEREON UPTO 31-03-2016**

S.No	Description	Useful Life	GROSS BLOCK			DEPRECIATION				NET BLOCK		
			As at 01.04.2015	Additions during the Year	Deletions during the Year	As at 31.03.2016	As at 01.04.2015	For the year	Deletion during the Year	Charge to Retained Earning	As at 31.03.2016	WDV as at 31.03.2015
1	Factory Lease hold Land		9,312,079.00	0.00	0.00	9,312,079.00	0.00	0.00	0.00	0.00	9,312,079.00	9,312,079.00
2	Factory Building	30	9,565,007.28	0.00	0.00	9,565,007.28	0.00	0.00	0.00	4,457,859.66	5,107,147.62	5,612,118.26
3	Computer	3	477,007.00	29,565.00	151,868.00	354,704.00	30,382.40	144,274.60	0.00	327,585.67	27,118.33	35,529.13
4	Electrical Instalation	10	3,062,892.27	0.00	474,667.00	2,588,225.27	301,040.74	403,850.58	0.00	1,957,559.38	630,665.89	1,002,523.05
5	Office Equipment	10	444,201.34	0.00	119,245.00	324,956.34	67,161.69	113,282.75	0.00	251,601.66	73,354.68	146,478.62
6	Furniture & Fixtures	10	805,610.77	0.00	160,981.00	644,629.77	56,089.35	147,202.91	0.00	505,254.69	139,375.08	209,242.52
7	Generator	15	1,608,601.00	0.00	131,994.00	1,476,607.00	70,801.63	118,826.64	0.00	1,032,649.95	443,957.05	527,926.04
8	Plant & Machinery	15	26,252,066.94	1,253,404.00	3,534,952.04	23,970,518.90	2,290,461.03	2,879,940.76	0.00	14,347,056.87	9,623,462.03	11,315,530.34
9	Mold & Die	15	11,011,647.00	749,700.00	0.00	11,761,347.00	1,117,043.96	0.00	0.00	7,367,178.07	4,394,168.93	4,761,512.89
10	Weight Machine	15	46,345.00	5,650.00	0.00	51,995.00	1,974.89	0.00	0.00	42,888.57	9,106.43	5,431.32
11	Motor Vehicle	10	15,100.00	0.00	0.00	15,100.00	0.00	0.00	0.00	15,100.00	0.00	0.00
12	Air Conditioner	5	94,619.00	0.00	0.00	94,619.00	1,619.41	0.00	0.00	89,889.80	4,729.18	6,348.60
	Total		62,695,176.60	2,038,319.00	4,573,707.04	60,159,788.56	4,441,545.74	3,807,378.24	0.00	30,394,624.32	29,765,164.22	32,934,719.77

\*\*\*\* Company has not details of original cost of Fixed assets acquired before 31.3.2001 so, for the calculation of depreciation as per life estimated



# Krishnaav Engineering Limited

## Notes to financial statements for the year ended 31 March, 2016

### Other Notes to Financial Statements

#### 1. Taxes on Income

- I. Current Year's income tax is determined on the income for the year chargeable to tax in accordance with the Income Tax Act, 1961.
- II. Deferred tax is recognized, subject to consideration of prudence, on timing difference. Deferred Tax Assets are recognized only up to the extent that there is reasonable certainty that sufficient taxable profits will be available against which such deferred tax assets can be realized. Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. During the year a sum of Rs.313531.40 has been reversed during the year & Credited to Profit & loss account.

#### 2. Fixed assets and Depreciation

The gross block of fixed assets is stated at cost of acquisition or construction including any attributable cost of bringing the assets to its working condition for its intended use.

In course of physical verification of fixed assets conducted by management from 4th January 2016 to 7th January 2016 it has been found that some fixed assets whose carrying amount as on 01.04.2015 was Rs.7,66,328.80 was not in working condition and has no scrap value so it has been decided by management to charge written down value of such fixed assets to profit and loss account. Depreciation on fixed assets has been provided on all assets on written down value method as calculated as per useful life prescribed in schedule II to Companies Act, 2013. Depreciation has been charged on pro-rata basis W.E.F. the date of purchase/installation/put to use of the assets.

#### 3. Inventory Valuation

- I. In Ghaziabad unit stocks at close of Raw Material, Diesel, Stores etc. has been taken on the basis of physical verification of inventory conducted by the management and valued at lower of cost or net realizable value excluding excise duty. Stock at close of Finished Goods & WIP has been valued at lower of cost or net realizable value excluding excise duty.
- II. In Parwanoo unit stocks at close of Raw Material, Diesel, Stores etc. has been taken on the basis of physical verification of inventory conducted by the management and valued at lower of cost or net realizable value including excise duty. Stock at close of Finished Goods & WIP has been valued at lower of cost or net realizable value including excise duty.

#### 4. Previous Year Figures:

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure.

#### 5. Foreign Transaction:

*(Figures in Rs.)*

Particulars	March 31 2016	March 31 2015
Travelling Expenses	7,14,277.00	8,93,856.00

\*\*Income in Foreign Currency is NIL.



## Krishnaav Engineering Limited

### Notes to financial statements for the year ended 31 March, 2016

6. **Auditor Remuneration:**

(Figures in Rs.)

Particulars	March 31 2016	March 31 2015
For Statutory & Tax Audit exclusive of service tax	2,20,000.00	2,00,000.00

7. **Net Deferred Tax Assets:**

Provision for Deferred Tax Assets has been maintained for Rs.157832.80.

8. **Director Fee:**

The Directors have not entitled to get their sitting fee.

9. **Contingent Liabilities:**

There are no contingent liabilities as on 31<sup>st</sup> March 2016 except that Commercial Tax Department has assessed turnover of the company at a higher rate of tax. In appeal by the company Commercial Tax Tribunal has upheld the plea rose by the company and deleted entire tax demand raised by the department. However, this matter is disputed by the department before the Hon'ble High Court and total tax amount under dispute is Rs. 352.95 Lakhs related to financial year 2007-08 to 2012-13, which is in the nature of contingent liability.

10. **Preliminary Expenses:**

During the year, Company has not written off any amount as Preliminary Expenses.

11. The company has passed the resolution for amalgamation with Allied Nippon limited along with Ambience India Pvt. Ltd., Silverline India Private Limited, Allied Intertrade Co. Ltd. with effect from 1<sup>st</sup> April 2015 subject to approval of Hon'ble high court of Delhi at Delhi, with the company under section 391 to 394 of companies Act, 1956 and also provision of companies act 2013 as may be notified from time to time.

12. Related Party Disclosure:

I. Nature of Relationship :

- |  |                                    |
|--|------------------------------------|
| - Holding Company                      | : Allied Nippon Limited            |
| - Fellow Subsidiary                    | : Allied Comline Limited, UK       |
|  | : Allied Nippon Components Limited |
| - Enterprises Significantly Influenced | : Allied Motors Limited            |

By Key Management Personnel or

Their Relatives

- |                           |  |
|---------------------------|--|
| -Key Management Personnel | : Mrs. Madhu Talwar (MD)<br>{01-04-2015 TO 31-05-2015} |
|---------------------------|--|



**Krishnaav Engineering Limited**

**Notes to financial statements for the year ended 31 March, 2016**

II. Transactions with Related Parties :

(Rs. in lacs)

S.No.	Nature of Transaction	Allied Nippon Ltd	Allied Motors Ltd	Madhu Talwar
1	Service Rendered( Job Work Service)	314.08	-	-
2	Sale	1022.59	-	-
3	Purchase of Raw Material	44.40	-	-
4	<b>Loans/Advance/Deposit</b>			
	Balance as at 01.04.2015	-	66.92	-
	Payment during the year	-	126.89	-
	Purchase of fuel during the year	-	190.99	-
	Balance as at 31.03.2016	-	2.82	-
5	Director Remuneration and perquisites	-	-	9.13
6	<b>Receivables/Debtors</b>			
	Balance as at 01.04.2015	(223.61)	-	-
	Additions during the year	1,336.67	-	-
	Realisation during the year	966.92	-	-
	Balance as at 31.03.2016	146.14	-	-
7	<b>Finance Transactions</b>			
	<b>A. ICD / Loan Given</b>	-	-	-
	<b>B. Long Term Borrowings</b>			
	<b>(0% Optionally Convertible Debenture)</b>			
	Balance as at 01.04.2015	500.00	-	-
	Additions during the year	-	-	-
	Realisation during the year	-	-	-
	Balance as at 31.03.2016	500.00	-	-
	<b>C. Short term Borrowings</b>	-	-	-
8	<b>Investments</b>			
	Balance as at 01.04.2015	-	300.00	-
	Additions during the year	-	-	-
	Sold during the year	-	-	-
	Balance as at 31.03.2016	-	300.00	-





## Krishnaav Engineering Limited

### Notes to financial statements for the year ended 31 March, 2016

#### 13. Earnings Per Share

(figures in Rs.)

Particulars	UOM	Year ended March 31 2016	Year ended March 31 2015
Profit after Tax	Rs.	NIL	(4317028.55)
Equity Shares (Face Value Rs.10/- per Share)	Nos.	481800	481800
Shares issued during the year	Nos.	NIL	NIL
Weighted Average of Equity Shares	Nos.	481800	481800
Earnings Per Share (Basic and Diluted)	Rs.	NIL	(8.96)

#### 14. Segment Information

Krishnaav Engineering Limited is a public limited company domiciled in India and incorporated under the provision of companies Act, 1956. The company is a subsidiary of Allied Nippon Limited. The Company is engaged in the Business of manufacture of "Aluminium Castings for Automobile Parts" which is considered to be the only reportable business segment as per Accounting Standard 17 issued by the Institute of Chartered Accountants of India and secondary reportable business segment is domestic market. The factory is situated at S-25, South side G.T.Road Industrial Area, Ghaziabad UP and another factory at Plot no.11, Sector-5, Parwanoo Dist. Solan, Himachal Pradesh.

FOR **KRISHNAAV ENGINEERING LTD.**

*Revati Talwar*

Revati Talwar  
Managing Director

DIN-07262488

*Navin Chandra Agarwal*

Navin Chandra Agarwal  
Director

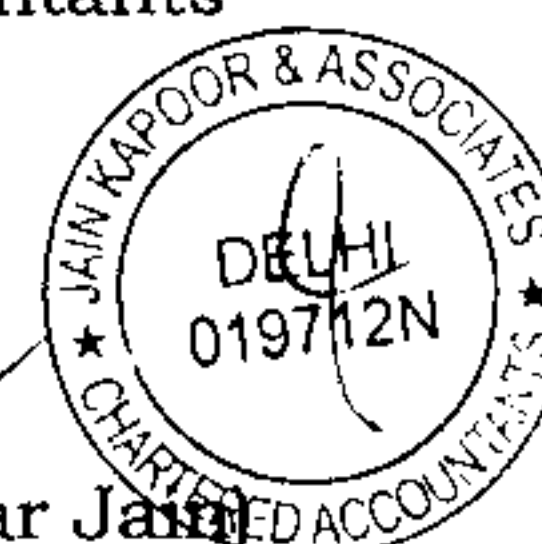
DIN-00188367

FOR JAIN KAPOOR & ASSOCIATES

Chartered Accountants  
(FRN 019712N)

*Rupal Kumar Jain*  
(CA. Rupal Kumar Jain)

Partner  
M. No. 503081



Place : Delhi  
Dated : 02-08-2016