



JAIN KAPOOR & ASSOCIATES
Chartered Accountants

Independent Auditors' 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, 2015 and the Statement of Profit and Loss for the year 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 and presentation 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 includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the 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:



Branch Office : 301-307, Chaudhary Complex, 9, V.S. Block, Madhuban Road, Shakarpur Delhi-110092

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Registered Office : 1269, Sector-7, Karukshetra, Haryana-136 118, Tel ; +91 1744222109

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 (the Order) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure 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 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 except as reported in annexure a statement on the matters specified in paragraphs 3 and 4 of the Order issued by the Central Government of India in terms of Section 143(11) of the Act.
 - 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 the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

For Jain Kapoor & Associates
Chartered Accountants
FRN 019712N

(CA. Rupal Kumar Jain)
Partner
M. No. 503081
Place : New Delhi
Dated: 24.08.2015



**ANNEXURE REFERRED TO IN THE AUDITOR'S REPORT TO THE MEMBERS OF
KRISHNAAV ENGINEERING LIMITED ON THE ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2015**

I. In respect of its fixed assets :

- a) The Company has maintained records showing full particulars including quantitative details and situation of fixed assets. The Company does not have any records of fixed assets purchased before financial year 2000-01.
- b) All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- c) According to the information and explanation given to us, we are of the opinion that during the year, the company has not disposed off any substantial part of fixed assets that would affect the going concern.

II. In respect of its inventory:

- a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of Inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

III. According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

IV. In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the company.

V. In our opinion and according to the information and explanations given to us, the company has not accepted Public Deposits under section 73 of the companies Act, 2013.

VI. The Company is not required to maintain the cost record under section 148(1) of the Companies Act, 2013.

VII. In respect of statutory dues :

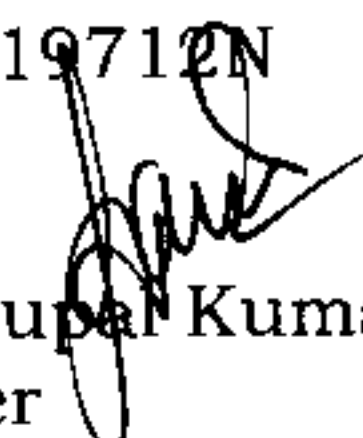
- a) The company is regular in depositing with appropriate authorities undisputed statutory dues including, income tax and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Sales tax, Excise duty, Service tax and Entry tax and other material statutory dues applicable to it, were in arrears, as at 31.03.2015 for the period of more than six months from the date they became payable.
- c) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund.

VIII. The company does not have the accumulated losses at the end of financial year. The company has not incurred any Cash losses during the financial year covered by our Audit and the immediately preceding financial year.



- IX. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- X. 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.
- XI. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that term loans were applied for the purpose for which they were obtained.
- XII. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the course of our audit.

For Jain Kapoor & Associates
Chartered Accountants
FRN 019712N


(CA. Rupal Kumar Jain)
Partner
M. No. 503081
Place: New Delhi
Dated: 24.08.2015



KRISHNAAV ENGINEERING LIMITED

FLAT NO. 1006, AKASHDEEP BUILDING, BARAKHAMBHA ROAD, NEW DELHI



Balance Sheet as at 31st March, 2015

Particulars	Note , No	31.03.2015	31.03.2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	48,18,000.00	48,18,000.00
(b) Reserves and Surplus	3	36,13,787.04	83,20,059.10
(c) Money received against share warrants		-	-
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(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	7,03,361.00
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings	6	9,99,49,312.07	1,62,03,417.53
(b) Trade payables	7	1,06,67,105.92	80,71,560.49
(c) Other current liabilities & Short-term provisions	8	2,58,86,378.29	3,12,26,254.59
Total		19,50,90,281.92	11,93,42,652.71
II. Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	9	3,29,34,719.77	3,64,75,941.46
(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)		-	-
(d) Long term loans and advances	11	11,74,509.00	7,67,166.00
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	12	85,46,607.58	1,03,30,460.27
(c) Trade receivables	13	70,70,840.55	78,72,737.88
(d) Cash and cash equivalents	14	10,17,37,990.49	2,02,07,124.64
(e) Short-term loans and advances	15	69,34,006.05	50,72,596.76
(f) Other current assets	16	66,91,608.48	86,16,625.70
TOTAL		19,50,90,281.92	11,93,42,652.71

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

Rupal Kumar Jain
Partner

Membership No. 503081

Place : New Delhi

Date : 24-08-2015



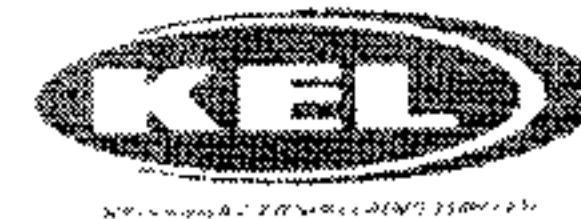
For and on behalf of Board of Directors of
Krishnaav Engineering Limited

Rohan Talwar
Director
DIN NO-00177963

Navin Chandra Agarwal
Director
DIN NO-00188367

KRISHNAAV ENGINEERING LIMITED

FLAT NO. 1006, AKASHDEEP BUILDING, BARAKHAMBHA ROAD, NEW DELHI



P & L A/c for the year ended 31st March, 2015

	Particulars	Note No	31.03.2015	31.03.2014
I.	Revenue from operations	17	9,66,39,032.62	10,05,64,724.33
II.	Other Income	18	5,28,13,119.06	4,65,27,954.26
III.	Total Revenue (I + II)		14,94,52,151.68	14,70,92,678.59
IV.	<u>Expenses:</u>			
	Cost of materials consumed	19	6,01,71,204.20	6,23,94,673.32
	<u>(Increase)/decrease in inventories of-</u>			
	Semi/Finished Goods		17,20,070.14	22,87,113.66
	Employee benefit expense	20	87,34,005.00	71,84,103.24
	Financial costs	21	13,47,090.93	16,860.92
	Depreciation and amortization expense		54,94,457.86	40,21,346.91
	Other Administrative & Operational Expenses	22	6,87,63,796.32	6,84,00,625.12
	Total Expenses (IV)		14,62,30,624.45	14,43,04,723.17
V.	Profit before exceptional and extraordinary items and tax (III - IV)		32,21,527.23	27,87,955.42
VI.	Exceptional Items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		32,21,527.23	27,87,955.42
VIII.	Extraordinary Items		81,14,096.68	5,19,179.05
IX.	Profit before tax (VII - VIII)		(48,92,569.45)	22,68,776.37
X.	Tax expense:			
	(1) Current tax		(27,878.50)	9,04,566.00
	(2) Earlier Year Taxes		-	9,71,240.00
	(3) Deferred tax		(5,47,662.40)	(60,751.00)
XI.	Profit/(Loss) from the period from continuing operations (IX-X)		(43,17,028.55)	4,53,721.37
XII.	Profit/(Loss) from discontinuing operations		-	-
XIII.	Tax expense of discounting operations		-	-
XIV.	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV.	Profit/(Loss) for the period (XI + XIV)		(43,17,028.55)	4,53,721.37
XVI.	Earning per equity share:			
	(1) Basic		-8.96	0.94
	(2) Diluted		-8.96	0.94

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

Rupal Kumar Jain
Partner

Membership No. 503081

Place : New Delhi

Date : 24-08-2015



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

Rohan Talwar

Director

DIN NO-00177963

Navin Chandra Agarwal

Director

DIN NO-00188367

KRISHNAAV ENGINEERING LIMITED

FLAT NO. 1006, AKASHDEEP BUILDING, BARAKHAMBA ROAD, NEW DELHI

**Statement of Cash Flow for the year ended March 31, 2015**

	TOTAL
A. Cash Flow from operating Activities	
Net Profit Before Tax	32,21,527.23
Adjustment for :	
Adjustment in capital reserve	(3,89,243.51)
Depreciation	54,94,458.09
Interest Expenses	13,47,090.93
Interest income	(16,84,137.96)
(Profit)/Loss on Sale of Fixed Assets	-
(Profit)/Loss on sale of investment	-
Exceptional Item	-
Unrealised (Gains)/Loss on restatement of Monetary Assets	-
Unrealised(Gain)/ loss on restatement of Monerary Liabilities	-
Dividends Received	-
Prior Period Items	(81,14,096.68)
Dividend Tax	-
Operating profit before Working Capital Changes	(1,24,400.90)
Movement in Working Capital	
Decrease / (Increase) in Sundry Debtors	8,01,897.33
Decrease / (Increase) in Inventories	17,83,852.69
Decrease / (Increase) in Loans and Advances	(22,68,752.29)
Decrease / (Increase) in Other Current Assets	19,25,017.22
Increase/ (Decrease)in Current Liabilities	(20,76,460.81)
Increase/ (Decrease)in Provisions	(6,67,870.06)
Direct Taxes (Net of Refunds)	27,878.50
Net Cash from operating Activities	(5,98,839.32)
B. Cash Flow from Investing Activities	
Purchase of Fixed Assets	(19,53,236.40)
Investments made	-
Proceeds from sale of fixed assets	-
Sale of Investment	-
Interest Received	16,84,137.96
Dividend Received	-
Net Cash from Investing Activities	(2,69,098.44)
C. Cash Flow from Financing Activities	
Proceeds from issue of share capital including share premium	-
Proceeds from borrowings	-
Repayment of borrowings	8,37,45,894.54
Interest Paid	(13,47,090.93)
Dividend Paid	-
Net Cash used in Financing Activities	8,23,98,803.61
Net Increase/ (Decrease) in cash and Cash Equivalents (A+B+C)	8,15,30,865.85
As at 31 March ,2015	
Cash and Cash Equivalents (Opening Balance)	2,02,07,124.64
Cash and Cash Equivalents (Closing Balance)	10,17,37,990.49
	8,15,30,865.85

As per our report of even date.

For JAINKAPOOR & ASSOCIATES

Firm Regd No.019712N
Chartered Accountants

RUPAL KUMAR JAIN

Partner

Membership No.: 503081

Place : New Delhi

Date : 24-08-2015

For & On behalf of the Board of Directors of
Krishnaav Engineering LimitedRohan Talwar
Director
(DIN-00177963)Navin Chandra Agarwal
Director
(DIN-00188367)

KRISHNAAV ENGINEERING LIMITED

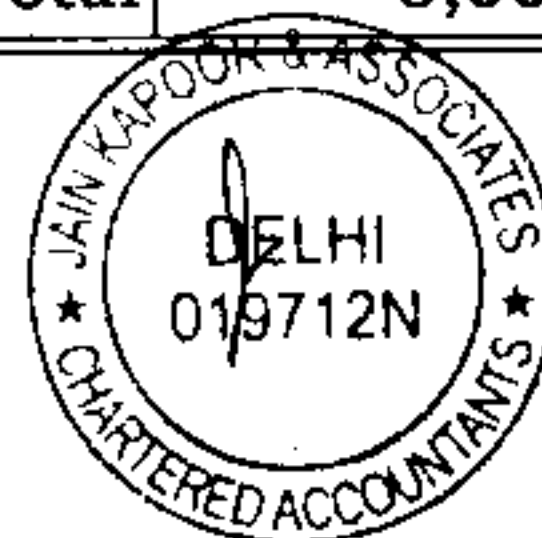
FLAT NO. 1006, AKASHDEEP BUILDING, BARAKHAMBHA ROAD, NEW DELHI

LIST OF OTHER EXPENSES

PARTICULARS	31.03.2015	31.03.2014
<u>MANUFACTURING EXPENSES</u>		
Electricity & Fuel	2,87,14,053.88	2,96,41,845.36
Stores Consumed	73,52,813.59	67,14,431.28
Job work Charges paid	1,15,04,336.20	1,07,41,507.15
Machinery Maintenance/Testing charges	36,47,970.44	27,42,138.97
Machinery Maintenance - Electrical/ Generator	2,34,675.92	97,496.68
Contract Labour Charges	41,60,857.00	69,65,619.00
Wages /Labour Charges	45,89,419.00	35,36,678.00
TOTAL	6,02,04,126.03	6,04,39,716.44

PARTICULARS	31.03.2015	31.03.2014
<u>ADMINISTRATIVE EXPENSES</u>		
Audit Fees	2,00,000.00	1,65,000.00
Fees for other Matters	9,100.00	0.00
Conveyance Expenses	2,40,227.30	2,56,357.00
Diwali Exps.	1,30,258.00	99,216.00
Insurance	1,57,683.00	4,38,819.00
Interest on TDS	15,145.00	27,218.84
Legal & Professional Exps.	10,49,924.50	7,99,442.00
Membership & subscription	8,100.00	0.00
Office Expenses	3,05,666.04	4,86,368.94
Other Interest	49,873.00	27,056.00
Postage & Courier	6,815.00	2,334.00
Printing & Stationery	1,03,457.58	1,01,214.26
Pollution Control Expenses	45,616.00	58,374.00
Rent Rates & Taxes	3,19,726.00	1,20,932.00
Repair & Maintt. (Building)	2,04,542.74	1,48,478.38
Repair & Maintt. (Other)	4,31,178.66	2,71,678.97
Telephone Exps.	2,32,084.11	1,94,728.75
Travelling & Tour Expenses	31,77,783.36	30,19,457.72
Watch & Ward Expenses	10,72,069.00	9,47,137.00
TOTAL	77,59,249.29	71,63,812.86

PARTICULARS	31.03.2015	31.03.2015
<u>Selling & Distribution Expenses</u>		
Packing Expenses	9,758.00	19,467.00
Cartage Outward	7,90,663.00	7,01,128.82
Total	8,00,421.00	7,20,595.82



KRISHNAAV ENGINEERING LIMITED

FLAT NO. 1006, AKASHDEEP BUILDING, BARAKHAMBA ROAD, NEW DELHI

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, 2015		As at March 31, 2014	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Authorised Share Capital Equity Shares of Rs. 10 each	14,00,000	1,40,00,000	14,00,000	1,40,00,000
Issued & Subscribed Share Capital Equity Shares of Rs. 10 each	4,81,800	48,18,000	4,81,800	48,18,000
Paid Up Share Capital Equity Shares of Rs. 10 each	4,81,800	48,18,000	4,81,800	48,18,000
Total	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, 2015		As at March 31, 2014	
	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, 2015	As at March 31, 2014
Equity Shares			
Rs. 10/- each fully paid (Allied Nippon Limited)	Holding Company	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, 2015		As at March 31, 2014	
	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.
(Partly paid up shares, calls not yet made by the company)

NIL NIL

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

NIL NIL



KRISHNAAV ENGINEERING LIMITED

FLAT NO. 1006, AKASHDEEP BUILDING, BARAKHAMBA ROAD, NEW DELHI

NOTES OF BALANCE SHEET AS AT 31st March, 2015

Note No	Particulars	31.03.2015	31.03.2014
3	Reserves and Surplus		
	Fixed Assets Revaluation Reserve	20,70,983.97	24,60,227.48
	Surplus/(deficit) in the statement of profit and loss		
	Balance as per last financial statements	58,59,831.62	54,06,110.25
	Profit for the Current year	(43,17,028.55)	4,53,721.37
	Sub Total	15,42,803.07	58,59,831.62
	Total	36,13,787.04	83,20,059.10

The company has revalued its fixed assets in the financial year 2000-01. The Company had provided and setoff the depreciation on the fixed assets in accordance with the provisions of AS-10 issued by ICAI. During the current period the depreciation on the fixed assets has been computed on the basis of expected useful life of the asset as per the provisions of Companies Act, 2013. The difference in value on account of changes in the estimated life of the fixed assets for the previous accounting years has been adjusted with the fixed asset revaluation reserves.

4	Long-term borrowings		
	Secured		
	Total(A)	-	-
	Unsecured		
	0% Optionally Convertible Debenture *	5,00,00,000.00	5,00,00,000.00
	(50 Lac (P.Y 50 lac) Nos. of debentures issued at Rs. 10 each)		
	Total(B)	5,00,00,000.00	5,00,00,000.00
	Total(A+B)	5,00,00,000.00	5,00,00,000.00

The 0% optionally convertible debentures have been issued by the company for tenure of 10 years. The allotment for the same commenced on 01.01.2014. 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 absence 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.

5	Deferred Tax Liabilities/Assets (Net)		
	Deferred tax liability		
	Balance b/f from previous period	7,03,361.00	7,64,112.00
	On account of depreciation	(5,25,861.77)	(60,751.00)
	Total(A)	1,77,499.23	7,03,361.00
	Deferred tax assets		
	Unabsorbed losses and depreciation as per Income Tax Act, 1961	-	-
	Provision for bonus	21,801.00	-
	Provision for retirement benefits	-	-
	Others - preliminary expenses	-	-
	Total(B)	21,801.00	-
	Net deferred tax liabilities/(assets) (A - B)	1,55,698.23	7,03,361.00

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' the net decrease in deferred tax liabilities of Rs. 547662.40 has been recognised as benefit in the statement of profit and loss. The effect of significant timing differences as at March 31, 2015 that reverse in one or more subsequent years give rise to the following net deferred tax liabilities.



Notes to financial statements for the year ended 31 MARCH 2015

Particulars	31.03.2015	31.03.2014
6 Short-terms borrowings		
Secured		
Overdraft Limit:		
Yes Bank Ltd. *	9,99,49,312.07	1,62,03,417.53
Total(A)	9,99,49,312.07	1,62,03,417.53
Unsecured		
Total(B)		
Total(A+B)	9,99,49,312.07	1,62,03,417.53

The company has taken overdraft limit of Rs. 10 crore (Overdraft limit upto of Rs. 2 crore @ 6.95%, 6 crore @ 7.05%, 2 crore @ 7.15%) for the purpose of meeting working capital requirement from yes bank Ltd against charge on fixed deposit during the financial year 2014-15.

7 Trade Payables		
Trade Payables*	1,06,67,105.92	80,71,560.49
Total	1,06,67,105.92	80,71,560.49

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

8 Other current liabilities		
Advance from Customers*	2,23,60,845.08	2,70,32,851.32
Duties & Taxes Payables		
- TDS Payable	2,14,730.00	1,90,128.00
- Service Tax Payable	64,128.00	-
- VAT & CST Payable	2,06,438.27	5,15,881.08
- Entry Tax Payable	20,398.00	24,412.00
Bonus Payable	22,802.00	20,161.00
Provident Fund Payable	1,67,576.00	2,86,248.00
E.S.I Payable	36,124.43	33,127.43
Salaries Payable	4,88,855.00	4,42,841.00
Wages Payable	3,87,236.00	3,82,594.00
Electricity Payable	13,38,562.00	8,71,348.00
Audit Fees Payable	1,80,000.00	1,48,500.00
Legal & Professional Expense Payable	1,62,000.00	-
Other Expenses Payable	2,64,562.01	1,20,394.00
Provision for Income Tax	(27,878.50)	9,04,566.00
Total	2,58,86,378.29	3,09,73,051.83

Advance received include the advances received from the holding company Allied Nippon Limited. The same are subject to confirmation and reconciliation with respective parties.

10 Non-Current Investments		
Investment in Convertible Debentures* (30 Lacs (P.Y.30 Lacs) Nos. of debentures of Rs. 10 each for 10 years)	3,00,00,000.00	3,00,00,000.00
Total	3,00,00,000.00	3,00,00,000.00

Unquoted and non-trade, 0% optionally convertible debentures in Allied Motors Limited. The Company being debenture holder have right to get the same redeemed 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.



es to financial statements for the year ended 31 MARCH 2015

Particulars	31.03.2015	31.03.2014
11 Long Term Loans and Advances		
Unsecured considered good Security Deposits*	11,74,509.00	7,67,166.00
Total	11,74,509.00	7,67,166.00

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

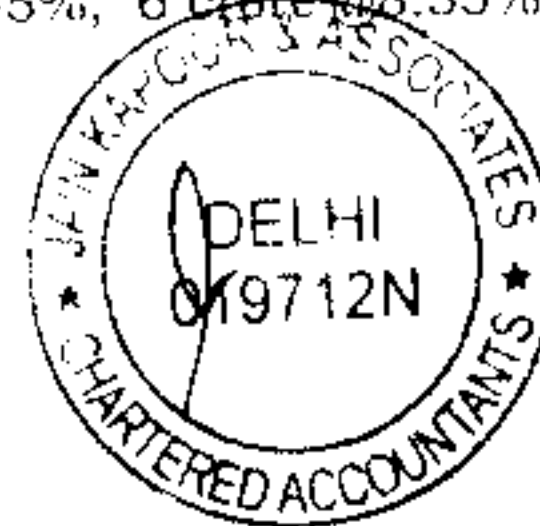
12 Inventories		
(At lower of cost and net realisable value)		
Raw material	21,62,083.09	16,36,447.70
Finished Goods	-	-
Semi-Finished Goods(Work in Progress)	47,20,452.60	64,40,522.74
Consumable Stores	15,43,825.49	20,59,309.83
Diesel	1,20,246.40	1,94,180.00
Total	85,46,607.58	1,03,30,460.27

Inventory taken and valued in terms of accounting policy no.22(g), verified and certified by the management.

13 Trade Receivable		
Outstanding for a period exceeding six months from the date they are due for payment.		
Unsecured and considered good	4,63,654.00	4,63,654.00
Unsecured and considered doubtful	-	-
Total(A)	4,63,654.00	4,63,654.00
Outstanding for a period less than six months from the date they are due for payment.		
Unsecured and considered good	66,07,186.55	74,09,083.88
Unsecured and considered doubtful	-	-
Total(B)	66,07,186.55	74,09,083.88
Total(A+B)	70,70,840.55	78,72,737.88

14 Cash and cash equivalents		
Balance With Banks		
- Syndicate Bank Current Account	(8,751.62)	17,24,624.95
- Punjab National Bank Current Account	40,444.07	(2,53,202.76)
- Fixed Deposit with Yes Bank*	10,00,07,536.86	1,80,00,000.00
Interest Accrued on Fixed Deposit with Yes Bank*	15,20,510.64	4,783.56
Total(A)	10,15,59,739.95	1,94,76,205.75
Cash in hand	1,78,250.54	3,94,923.84
Total(B)	1,78,250.54	3,94,923.84
Total(A+B)	10,17,37,990.49	1,98,71,129.59

The company is earning interest on fixed deposit (upto of Rs. 2 crore @ 8.45%, 6 crore @ 8.55%, 2 crore @ 8.65%) * The fixed deposit are under lien against the credit facility availed from Yes Bank Ltd.



Notes to financial statements for the year ended 31 MARCH 2015

Particulars	31.03.2015	31.03.2014
15 Short term loans and advances		
Capital advances		
Unsecured considered good		
Advance Recoverable in cash or in kind or for value to be considered good		
Total(A)	-	-
Security deposits		
Unsecured considered good		
Total(B)	-	-
Other loans and advances		
Unsecured considered good		
Loans, advances to employees	95,256.50	87,575.85
Balance with revenue authorities		
- VAT recoverable	3,95,789.06	4,42,653.48
- Service tax recoverable	1,27,754.40	61,823.00
- Excise Duty recoverable	3,35,795.36	1,86,007.18
- Tax deducted at source	11,83,183.50	9,27,695.00
- Income Tax	24,38,314.00	24,25,824.00
- Others	5,46,726.00	5,46,726.00
Prepaid Expenses	4,88,361.00	4,13,142.00
Insurance claim recoverable**	13,22,826.23	68,726.10
Other loan & advances		
Total(C)	69,34,006.05	51,60,172.61
Total(A+B+C)	69,34,006.05	51,60,172.61

Income Tax include earlier year Taxes recoverable.

16 Other Current Assets		
Advance to Suppliers	66,91,608.48	86,11,842.14
Total	66,91,608.48	86,11,842.14

17 Revenue from Operations		
Domestic Sale (Gross)	9,38,34,518.72	10,08,09,843.41
Less: Excise Duty	16,59,241.36	19,50,030.98
Domestic Sale (Net of Excise Duty) (A)	9,21,75,277.36	9,88,59,812.43
Sale of Scrap(Gross)	48,33,466.05	17,04,911.90
Less: Excise Duty	3,69,710.79	-
Sale of Scrap (Net of Excise Duty) (B)	44,63,755.26	17,04,911.90
Total(A+B)	9,66,39,032.62	10,05,64,724.33

18 Other Income		
Job Work	5,11,28,981.10	4,60,65,573.38
Depreciation Written Back	-	4,57,597.32
Interest on Fixed Deposit	16,84,137.96	4,783.56
Total	5,28,13,119.06	4,65,27,954.26

19 Cost of materials consumed		
Opening Stock of Raw Material	16,36,447.70	65,98,389.72
Add: Purchases of Raw Material	6,09,92,659.72	5,74,32,731.30
Add/Less: Stock Loss	(2,95,820.13)	-
	6,23,33,287.29	6,40,31,121.02
Less:- Closing Stock of Raw Material	21,62,083.09	16,36,447.70
Cost of materials consumed Total	6,01,71,204.20	6,23,94,673.32

20 Employee Benefits Expense		
Salaries	64,69,155.00	52,16,835.00
Bonus to Employees	1,07,632.00	1,10,625.00
LTA	48,982.00	18,475.00
Leave Salary	91,966.00	1,07,720.00
Medical expenses	75,146.00	26,416.00



es to financial statemets for the year ended 31 MARCH 2015

Particulars		31.03.2015	31.03.2014
	PF Contribution	8,62,122.00	7,51,926.00
	E.S.I Contribution	2,71,979.00	2,25,268.43
	Staff welfare expenses	8,07,023.00	8,03,337.81
	Total	87,34,005.00	72,60,603.24
21	Finance Costs		
	Bank Charges & Interest	13,47,090.93	16,860.92
	Total	13,47,090.93	16,860.92
22	Other Expenses		
	Manufacturing Expenses	6,02,04,126.03	6,05,02,806.44
	Administrative Expenses	77,59,249.29	71,77,222.86
	Selling & Distribution Expenses	8,00,421.00	7,20,595.82
	Total	6,87,63,796.32	6,84,00,625.12



Krishnaav Engineering Limited

Notes to financial statements for the year ended 31 March, 2015

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. 547662.40/- has been reversed during the year & Credited to Profit & loss account.
2. During the year, pursuant to schedule II of Companies act, 2013 applicable from 1st April 2014, The Company has estimated useful life of its fixed assets as prescribed in schedule II of Companies act, 2013, before it company was providing the depreciation as per written down value method at the rates provided in Schedule XIV to the Companies Act, 1956. Further, The Company has fully depreciated carrying value of Rs.142949/- and revaluation reserve of Rs. 126904/- of some assets, net of residual value, where remaining useful life of asset has been determined to be nil as on 1st April 2014, pursuant to the transition provisions prescribed in schedule II of companies act, 2013 and the carrying value of such assets has written off in profit or loss account in same year (As per Para 15 of Accounting Standard-6,"Depreciation Accounting "as company does not have any retained earnings).The Depreciation expense in statement of profit and loss account has been increased by 1473111/- consequent to change in estimated useful life of asset.

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 2015	March 31 2014
Travelling Expenses	893856.00	Nil

**Income in Foreign Currency is NIL.



Krishnaav Engineering Limited

Notes to financial statements for the year ended 31 March, 2015

6. **Auditor Remuneration:**

(Figures in Rs.)

Particulars	March 31 2015	March 31 2014
For Statutory & Tax Audit	2,00,000.00	1,65,000.00

7. **Net Deferred Tax Liability:**

Provision for Deferred Tax Liability has been maintained for Rs.155699/-.

8. **Director Fee:**

The Directors have not entitled to get their sitting fee.

9. **Contingent Liabilities:**

There are no contingent liabilities as on 31st March 2015 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. 286.58 lacs related to financial year 2007-08 to 2010-11, 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. **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

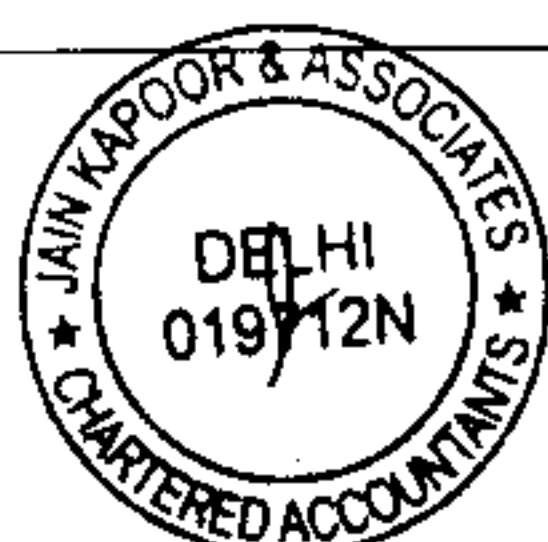
Their Relatives

- Key Management Personnel : Mrs. MadhuTalwar

II. Transactions with Related Parties :

(Rs. in lacs)

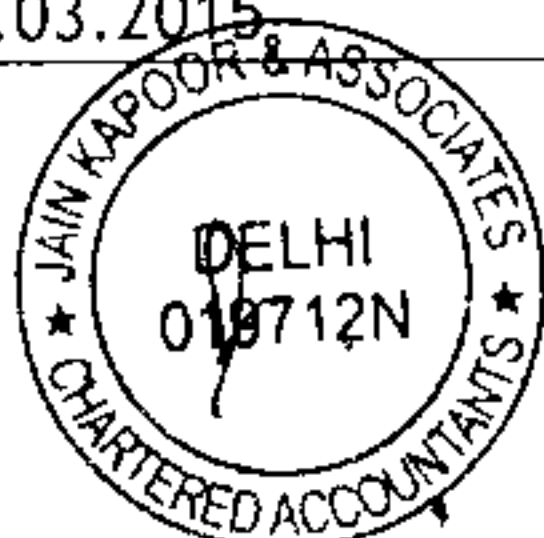
S.No.	Nature of Transaction	Allied Nippon Ltd	Allied Motors Ltd	Madhu Talwar
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Krishnaav Engineering Limited

Notes to financial statements for the year ended 31 March, 2015

1	Service Rendered(Job Work Service)	231.16	-	-
2	Sale	902.81	-	-
3	Purchase of Raw Material	27.49	-	-
4	Loans/Advance/Deposit			
	Balance as at 01.04.2014	-	65.48	-
	Payment during the year	-	189.56	-
	Purchase of fuel during the year	-	188.13	-
	Balance as at 31.03.2015	-	66.92	-
5	Director Remuneration and perquisites	-	-	22.78
6	Payables/Creditors			
	Balance as at 01.04.2014	270.33	-	-
	Additions during the year	1,087.25	-	-
	Realisation during the year	1,133.97	-	-
	Balance as at 31.03.2015	223.61	-	-
7	Finance Transactions			
	A. ICD / Loan Given	-	-	-
	B. Long Term Borrowings (0% Optionally Convertible Debenture)			
	Balance as at 01.04.2014	500.00	-	-
	Additions during the year	-	-	-
	Realisation during the year	-	-	-
	Balance as at 31.03.2015	500.00	-	-
	C. Short term Borrowings	-	-	-
8	Investments			
	Balance as at 01.04.2014	-	300.00	-
	Additions during the year	-	-	-
	Sold during the year	-	-	-
	Balance as at 31.03.2015	-	300.00	-



Krishnaav Engineering Limited

Notes to financial statements for the year ended 31 March, 2015

12. Earnings Per Share

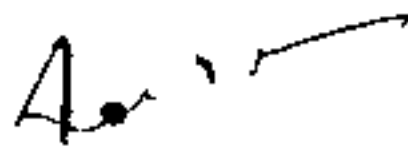
(figures in Rs.)

Particulars	UOM	Year ended March 31 2015	Year ended March 31 2014
Profit after Tax	Rs.	(4317028.55)	453721
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.	(8.96)	.94

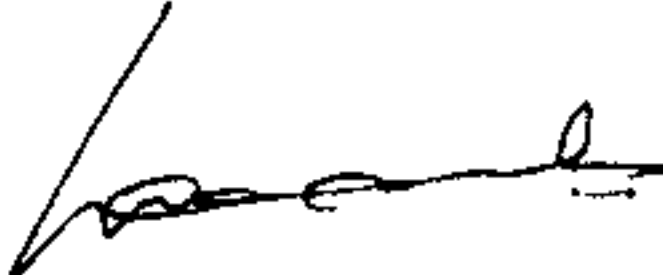
13. Segment Information

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.**


Rohan Talwar
Director


DIN-00177963


Navin Chandra Agarwal
Director

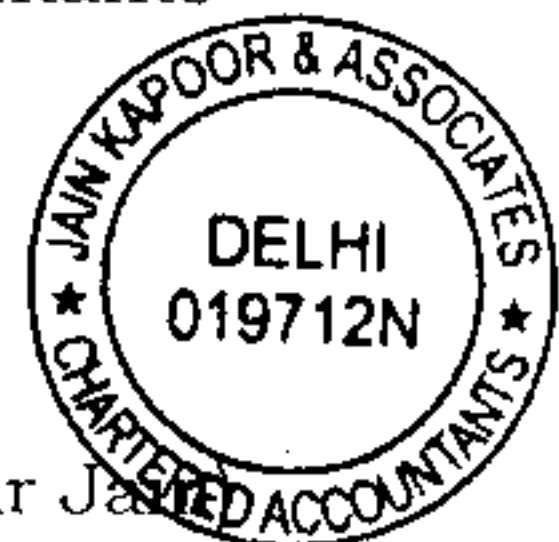
DIN-00188367

FOR JAIN KAPOOR & ASSOCIATES

Chartered Accountants
(FRN 019712N)


(CA. Rupal Kumar Jain)

Partner
M. No. 503081



Place : Delhi
Dated : 24-08-2015

Krishnaav Engineering Limited
Notes to financial statements for the year ended 31 March, 2015

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

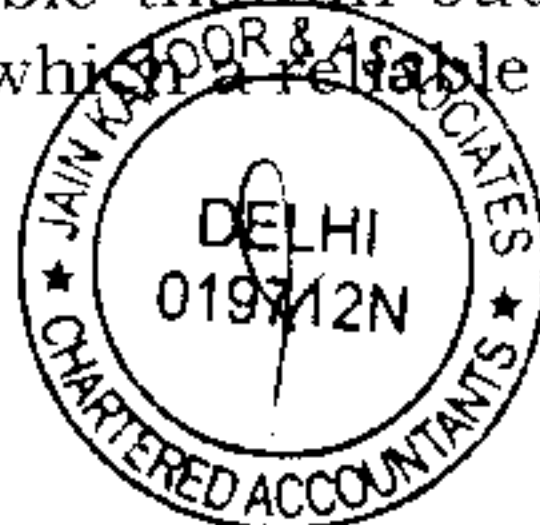
At each Balance Sheet date, the carrying amount of assets is reviewed for impairment so as to determine the provision for impairment loss, if any, required OR the reversal, if any, required of impairment loss recognized in previous periods. Impairment loss is recognized when the carrying amount of an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



Krishnaav Engineering Limited
Notes to financial statements for the year ended 31 March, 2015

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.

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 Under Rule 5 sub rule (2)**

There was no employee of the company are covered Under Rule 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.



SCHEDULE - 9: FIXED ASSETS AND DEPRECIATION THEREON UPTO 31-03-2015

S.No	Description	Useful Life	GROSS BLOCK			DEPRECIATION					NET BLOCK	
			As at 01.04.2014	Additions during the Year	Deletions during the Year	As at 31.03.2015	As at 01.04.2014	For the year	Deletion during the Year	Charge to Retained Earning	As at 31.03.2015	WDV as at 31.03.2015
1	Factory Lease hold Land		93,12,079.00	0.00	0.00	93,12,079.00	0.00	0.00	0.00	0.00	93,12,079.00	93,12,079.00
2	Factory Building	30	95,65,007.28	0.00	0.00	95,65,007.28	33,94,754.14	5,58,134.88	0.00	39,52,889.02	56,12,118.26	61,70,253.14
3	Computer	3	4,60,867.00	16,140.00	0.00	4,77,007.00	3,90,058.66	5,987.00	0.00	45,432.21	35,529.13	70,808.34
4	Electrical Instalation	10	30,62,892.27	0.00	0.00	30,62,892.27	15,24,301.22	4,88,472.00	0.00	47,596.00	10,02,523.05	15,38,591.05
5	Office Equipment	10	3,72,249.34	71,952.00	0.00	4,44,201.34	1,08,365.72	1,61,871.00	0.00	27,486.00	1,46,478.62	2,63,883.62
6	Furniture & Fixtures	10	8,05,610.77	0.00	0.00	8,05,610.77	4,96,323.25	90,441.00	0.00	9,604.00	2,09,242.52	3,09,287.52
7	Generator	15	16,97,890.00	0.00	89,289.00	16,08,601.00	10,22,938.19	1,39,568.39	0.00	1,49,36,536.60	1,13,15,530.34	1,22,72,443.48
8	Plant & Machinery	15	2,55,07,352.40	18,18,648.54	10,73,934.00	2,62,52,066.94	1,32,34,908.92	26,80,051.00	0.00	62,50,134.11	47,61,512.89	58,16,025.47
9	Mold & Die	15	1,09,94,939.00	1,73,400.00	1,56,692.00	1,10,11,647.00	51,78,913.53	12,05,554.75	0.00	40,913.68	5,431.32	8,171.57
10	Weight Machine	15	57,403.00	0.00	11,058.00	46,345.00	49,231.43	1,162.00	0.00	15,100.00	0.00	396.86
11	Motor Vehicle	10	15,100.00	0.00	0.00	15,100.00	14,703.14	0.00	0.00	88,270.39	6,348.60	39,049.60
12	Air Conditioner	5	94,619.00	0.00	0.00	94,619.00	55,569.39	20,267.00	0.00	12,434.00	3,29,34,719.77	3,64,75,941.46
	Total		6,19,46,009.06	20,80,140.54	13,30,973.00	6,29,95,176.60	2,54,70,067.59	53,51,509.02	12,04,068.86	2,97,60,456.82	3,29,34,719.77	3,64,75,941.46

**** 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

