



Date:- 05.09.2023

To,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex
Bandra (East),
Mumbai - 400 051

Symbol: - KRISHNADEF
ISIN: - INE0J5601015

Subject: Submission of Annual Report of the Company for the Financial Year 2022-23 under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Respected Sir/ Ma'am,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith **Annual Report of the Company along with the Notice of the 10th Annual General Meeting ("AGM") and other Statutory Reports for the Financial Year 2022-23**. The same is also being sent through electronic mode to those Members whose email addresses are registered with the Company/Registrar and Share Transfer Agent/Depository Participants.

Further, the **10th AGM** of the Members of the Company will be held on **Saturday, 30 September 2023 at 11:00 a.m. (IST)** through **Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")**.

The Annual Report of the Company is also available on its website <https://krishnaallied.com/>

Kindly take the above information on the record.

Thanking You,

Yours faithfully,
For Krishna Defence and Allied Industries Limited,

Charmy Shah
Company Secretary and Compliance Officer



KRISHNA

DEFENCE AND ALLIED INDUSTRIES LTD

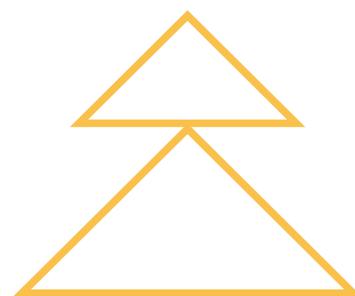
**UNFOLDING
EMPOWERMENT**

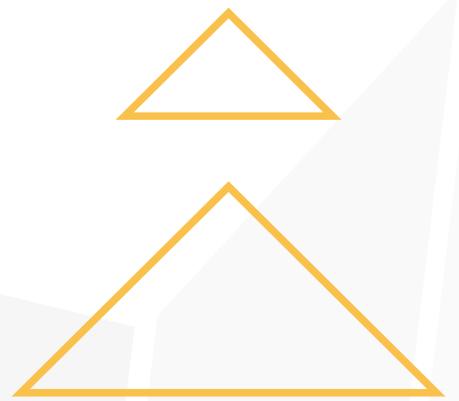
BY ENHANCING DEFENCE
CAPABILITIES

ANNUAL REPORT
FY 2022-23

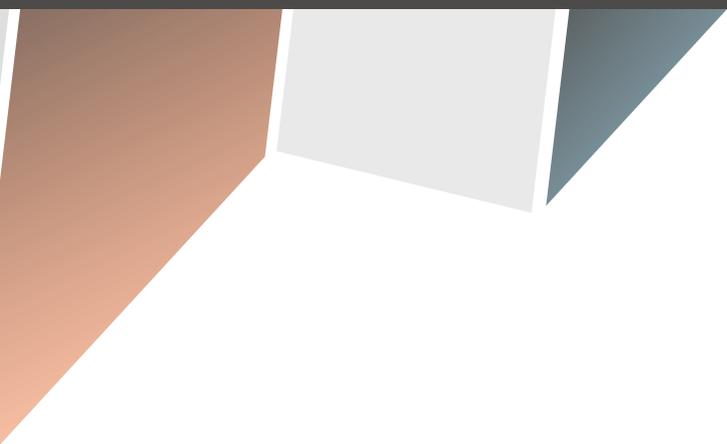
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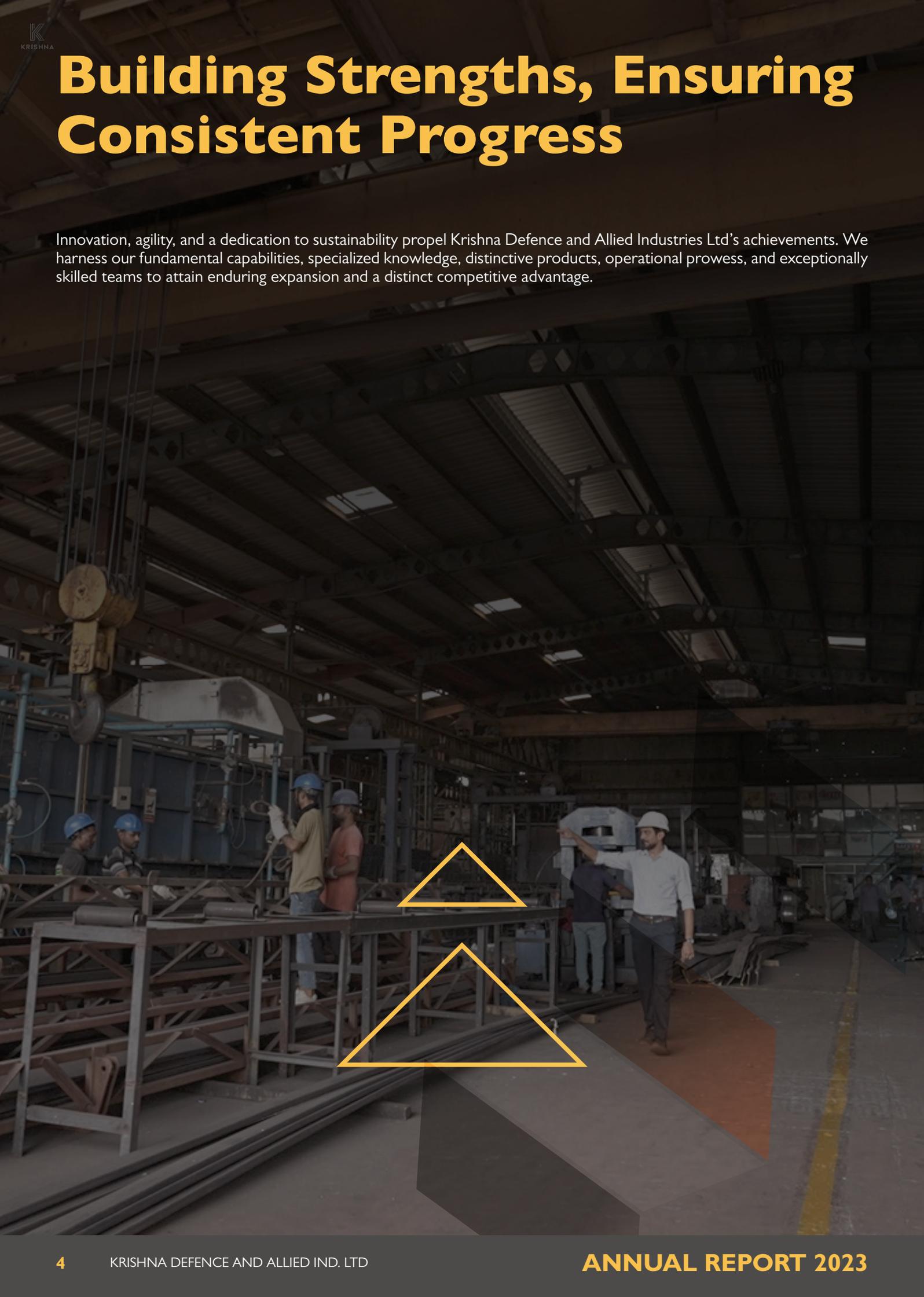


OVERVIEW



Building Strengths, Ensuring Consistent Progress

Innovation, agility, and a dedication to sustainability propel Krishna Defence and Allied Industries Ltd's achievements. We harness our fundamental capabilities, specialized knowledge, distinctive products, operational prowess, and exceptionally skilled teams to attain enduring expansion and a distinct competitive advantage.



Corporate Snapshot

Krishna Defence and Allied Industries Ltd is harnessing an exceptional foundation of profound technical acumen and extensive experience across diverse domains such as Specialized Steel Component, Welding Wire, Complex Alloy Products, we proudly stand as a formidable force in the realm of Defence Projects. Our expertise serves as a cornerstone, empowering us to embark on a steadfast journey of cultivating 'Made in India' solutions that substantially curtail dependence on imports while actively engaging in the burgeoning landscape of India's defense sector.

Our trajectory remains firmly focused on catalyzing the growth of India's Defence ecosystem by harnessing our intrinsic capabilities. Our dedication to developing indigenous solutions underscores our commitment to bolstering Defence Solutions while advancing the nation's technological self-sufficiency.

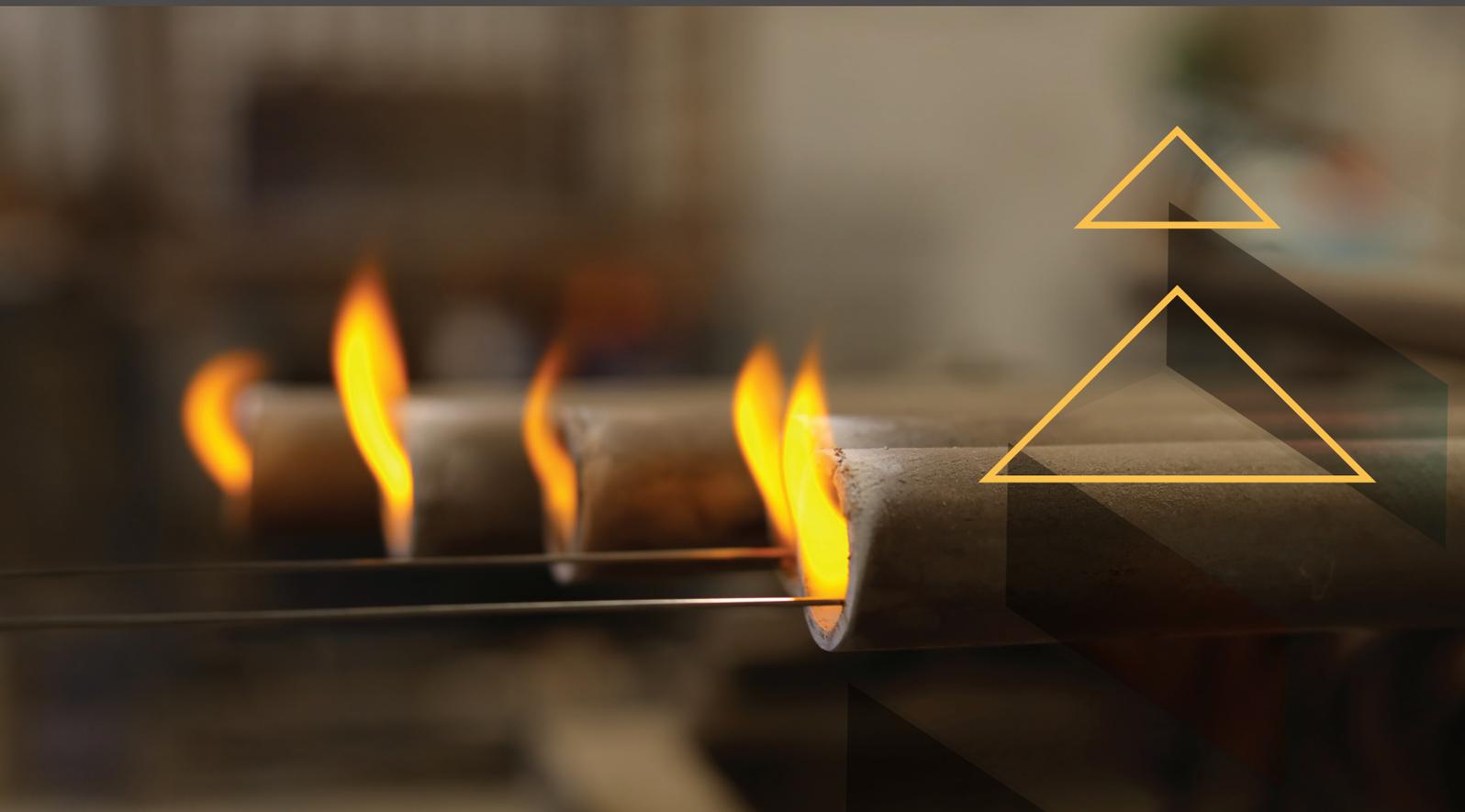
Our journey goes beyond corporate ambitions; it embodies a strategic mission to enhance the nation's Defence manufacturing prowess on the global stage. We remain steadfast in our commitment to drive innovation, nurture talent, and redefine boundaries to craft a brighter future for our Defence forces, esteemed partners, and the nation at large. Together, we weave a narrative characterized by excellence, empowerment, and advancement.

About us

Krishna Defence and Allied Industries Ltd stands proudly as one of the most rapidly advancing defense companies, playing a crucial role in providing critical components to the Indian Navy for its warships. Our products are a testament to indigenous excellence, forged with utmost precision to cater to a wide and promising market. With a steadfast commitment to in-house development and manufacturing, our approach is anchored on innovation, guided by robust design and development endeavours.

Over the course of 25 remarkable years, we have built a substantial order book, marked by collaborations with renowned customers who recognize the caliber of our offerings. Our state-of-the-art manufacturing facilities further amplify our capabilities, ensuring that our solutions are not only cutting-edge but also meticulously tailored to meet the evolving demands of modern defense.

Having successfully supplied products to both the Navy and the Indian Army, our legacy of service and dedication continues to flourish. A notable aspect is our team, boasting the expertise of senior personnel who have been instrumental in driving our progress for over two decades. Today, our ranks include 22 skilled engineers and a dedicated workforce of 230 individuals, all committed to our mission.



Managing Director's Message:

Dear Esteemed Shareholders,

I hope this message finds you well. As we turn the page on another remarkable year, it is an honor to address you, the driving force behind our success, as the Managing Director of Krishna Defence and Allied Industries Ltd.

FY23 stands as a pivotal chapter in our journey, marked by significant achievements and the realization of our strategic goals. With our equity listing on the Indian capital market in April '22, we embarked on a new era of growth and transparency. Today, as we celebrate the completion of our first year as a listed entity, it is with immense pride that I share the exceptional value we have delivered to our valued shareholders.

One of the standout achievements of FY23 has been the expansion of our defense portfolio. Leveraging our deep expertise and experience, we have successfully diversified our offerings, solidifying our presence in the defense sector. The strategic expansion into new avenues has not only broadened our horizons but also positioned us as a comprehensive solutions provider in the domain.

Simultaneously, our commitment to enhancing our capacity has borne fruit. We have meticulously invested in augmenting our manufacturing facilities, equipping ourselves with state-of-the-art infrastructure to meet the growing demands of the market. This expansion bolsters our capabilities, ensuring that we remain agile, efficient, and at the cutting edge of innovation.

I am thrilled to report that our efforts have translated into tangible results for you, our esteemed shareholders. The journey from listing to the present has been characterized by consistent growth, robust financial performance, and a steadfast commitment to delivering shareholder value. This achievement would not have been possible without your trust, and I am deeply grateful for your unwavering support.

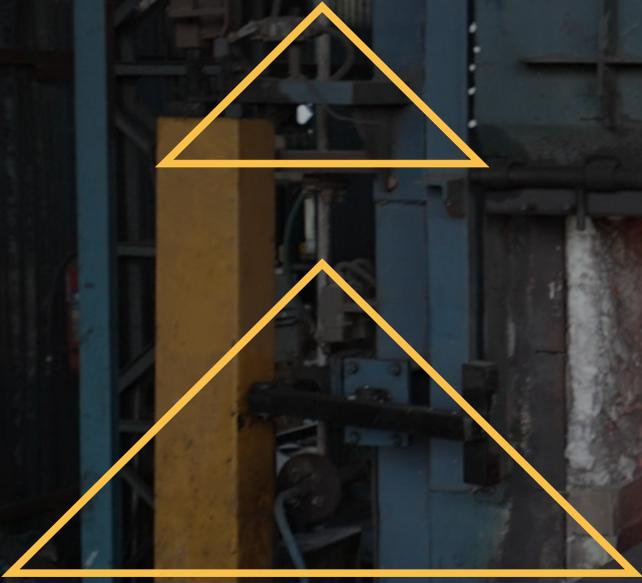
As we move forward, our sights remain set on a future teeming with promise. We are resolute in our dedication to innovation, excellence, and upholding the highest standards of corporate governance. We will continue to embrace challenges, explore opportunities, and drive sustainable growth that benefits both our shareholders and the broader community.

In closing, I extend my heartfelt gratitude for your trust and partnership. FY23 is a testament to our collective resilience and determination. Together, we stand on the cusp of even greater accomplishments, united by the common goal of shaping a future defined by success, value, and progress.

Thank you for being an integral part of our journey.



Mission, Vision and Values



Mission

To continuously strive to deliver innovative, cost-efficient, and modern engineering solutions laced with the latest technology to benefit the Organizations and end-users.



Vision

To become the go-to company for world-class Engineering products within India by contributing towards “Make in India” and supporting the Indian Government, PSUs, and Private Customers through constant and continuous improvement in it’s products and services.



Values

Performance with pride and honor wherein ethical behavior is encouraged. The company operates ethically and responsibly with its employees, customers, partners, suppliers, and shareholders.

Indian Defence Outlook

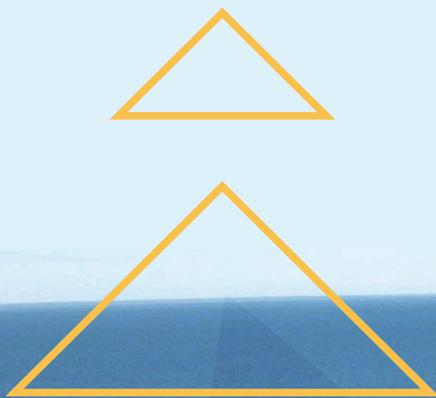
India is one of the strongest military forces in the world and holds a place of strategic importance for the Indian government. The top three largest market segments of the Indian defence sector are military fixed wing, naval vessels and surface combatants, and missiles and missile defense systems. Military rotorcraft, submarines, artillery, tactical communications, electronic warfare, and military land vehicles are some of the other well-known segments. Some of the major defence manufacturing companies in India are Bharat Earth Movers Ltd. (BEML), Bharat Electronics Ltd. (BEL), and Hindustan Aeronautics Ltd. (HAL).

The Indian defence manufacturing industry is a significant sector for the economy. The industry is likely to accelerate with rising concerns of national security. Demand for defence equipment in India has been growing due to the ongoing territorial disputes with Pakistan and China over the ownership of the Northern State of Kashmir and the North Eastern State of Arunachal Pradesh, respectively. Over the last five years, India has been ranked among the top importers of defence equipment to gain technological advantages over rival countries such as China and Pakistan. To modernise its armed forces and reduce dependency over external dependence for defence procurement, several initiatives have been taken by the government to encourage 'Make in India' activities via policy support initiatives.

India has the world's third-largest defence expenditure, as of 2021, and expects to export equipment worth US\$ 15 billion by 2026.

As per the Union Budget 2022-23, 25% of defence R&D budget has been earmarked for private industry and start-ups which will pave the way for innovation of new defence technologies in India.

Till October 2022, a total of 595 Industrial Licences have been issued to 366 companies operating in Defence Sector. Defence exports grew by 334% in last five years; India now exporting to over 75 countries due to collaborative efforts.



Indian Government Initiatives

- The Central government aims to take India's defence exports up to US\$ 5 billion by 2024-25.
- Of the Union Budget for Financial Year 2023-24, Ministry of Defence has been allocated a total Budget of US\$ 72.2 billion (Rs. 5,93,537.64 crore), which is 13.18 % of the total budget. This includes an amount of US\$ 16.8 billion (Rs. 1,38,205 crore) for Defence Pensions. The total Defence Budget represents an enhancement of US\$ 8.3 billion (Rs. 68,371.49 crore) (13%) over the Budget of 2022-23.
- In the Union Budget 2023-24, the Capital Investment Outlay has been increased steeply for the third year in a row by 33 per cent to US\$ 121 billion (Rs. 10 lakh crore), which would be 3.3 per cent of GDP. This will be almost three times the outlay in 2019-20.
- Accordingly, the Capital Allocations pertaining to modernization and infrastructure development of the Defence Services has been increased to US\$ 19.7 billion (Rs. 1,62,600 crore) representing a rise of US\$ 1.2 billion (Rs. 10,230 crore) (6.7%) over 2022-23. Also, the increase in the Capital Budget since 2019-20 has been US\$ 7.2 billion (Rs. 59,200 crore) (57%). This increase is a reflection of the Government's commitment towards sustainable augmentation in the area of modernization & infrastructure development of the Defence Services.
- Under the Atmanirbhar Bharat Initiative, four positive indigenization lists of 411 products have been promulgated by Department of Military Affairs and Ministry of Defence to be manufactured domestically for the defence sector, instead of being sourced via imports.
- SRIJAN portal launched to promote indigenization. 19509 defence items, have been displayed on the portal for indigenisation
- Indigenously developed Laser-Guided Anti-Tank Guided Missiles (ATGM) were successfully test-fired from Main Battle Tank (MBT) Arjun by Defence Research and Development Organisation (DRDO) and Indian Army at KK Ranges with support of Armoured Corps Centre & School (ACC&S) Ahmednagar in Maharashtra on August 04, 2022.
- In order to promote Private Industry, MSMEs and Start-ups in defence production ecosystem, the Ministry of Defence has allocated 25% of domestic capital procurement/ acquisition budget, amounting to Rs. 21,149.47 crore (US\$ 2.72 billion), for domestic private industry in 2022-23.
- The government has established two Defence Industrial Corridors (DICs) in the country, one in Uttar Pradesh called the Uttar Pradesh Defence Industrial Corridor (UPDIC) and the other in Tamil Nadu called the Tamil Nadu Defence Industrial Corridor (TNDIC), with the goal of attracting Rs. 10,000 crore (US\$ 1.31 billion) in investment in each.
- In November 2021, Defence Acquisition Council (DAC) boosted the 'Make in India' initiative by according Acceptance of Necessity (AoN) — to capital acquisition proposals worth Rs. 7,965 crore (US\$ 1.07 billion) — for modernisation and operational needs of armed forces.
- On October 15, 2021, Prime Minister, Mr. Narendra Modi, dedicated the seven defence public sector undertakings (PSUs)—created through the restructuring of the Ordnance Factory Board (OFB)—to improve functional autonomy, efficiency, growth potential and innovation in the defence sector.
- Government formulated the 'Defence Production and Export Promotion Policy 2020' to provide impetus to self-reliance in defence manufacturing under the 'Aatmanirbhar Bharat' scheme.
- To increase defence manufacturing in India and make the country a reliable weapon supplier to friendly countries, the Indian government allowed the following FDI limits in September 2020. For new licensees - FDI allowed up to 74% through automatic route; FDI beyond 74% would need to be permitted under the Govt. route. For existing Licensees - Infusion of new foreign investments up to 49% can be added by making declarations of change/ transfer within 30 days.
- Defence ministry plans to put 101 defence items (artillery guns and assault rifles) under import embargo to offer potential military hardware manufacturing opportunities to the Indian defence industry.
- In February 2020, Defence Minister Mr. Rajnath Singh at Aero India 2021 announced to reduce defence imports by at least US\$ 2 billion by 2022.

The defence ministry estimates potential contract worth ~Rs. 4 lakh crore (US\$ 57.2 billion) for the domestic industry in the next 5-7 years (2025-2027).



A Glimpse of Company's Listing Ceremony

An insightful portrayal of a listing ceremony that offers an in-depth look into the event's proceedings and significance. This occasion marks the formal introduction of a company's shares to the public trading sphere, often featuring various rituals and protocols symbolizing the transition to a publicly traded entity. This ceremony not only provides a mere glimpse but rather a comprehensive understanding of the event, encompassing its ceremonial aspects, the financial implications for the company, and the broader implications within the financial market.



The Manufacturing Units of Company

(Plot No. 121/8/9/20/21/22/23-24, GIDC Estate, Kalol, Panchmahals, Gujarat, 389330)

- Covering an area of ~40,000 Sq. ft.
- Accredited with ISO 9001:2015 quality management system as manufacturer and exporter of stainless-steel milk cans, milking machine, milk coolers, dairy and kitchen Equipment, milk testing Equipment, Galley Equipment, shipbuilding steel bulb bars, modular vehicle barrier & automatic tyre killer.
- Products manufactured: Dairy Equipment

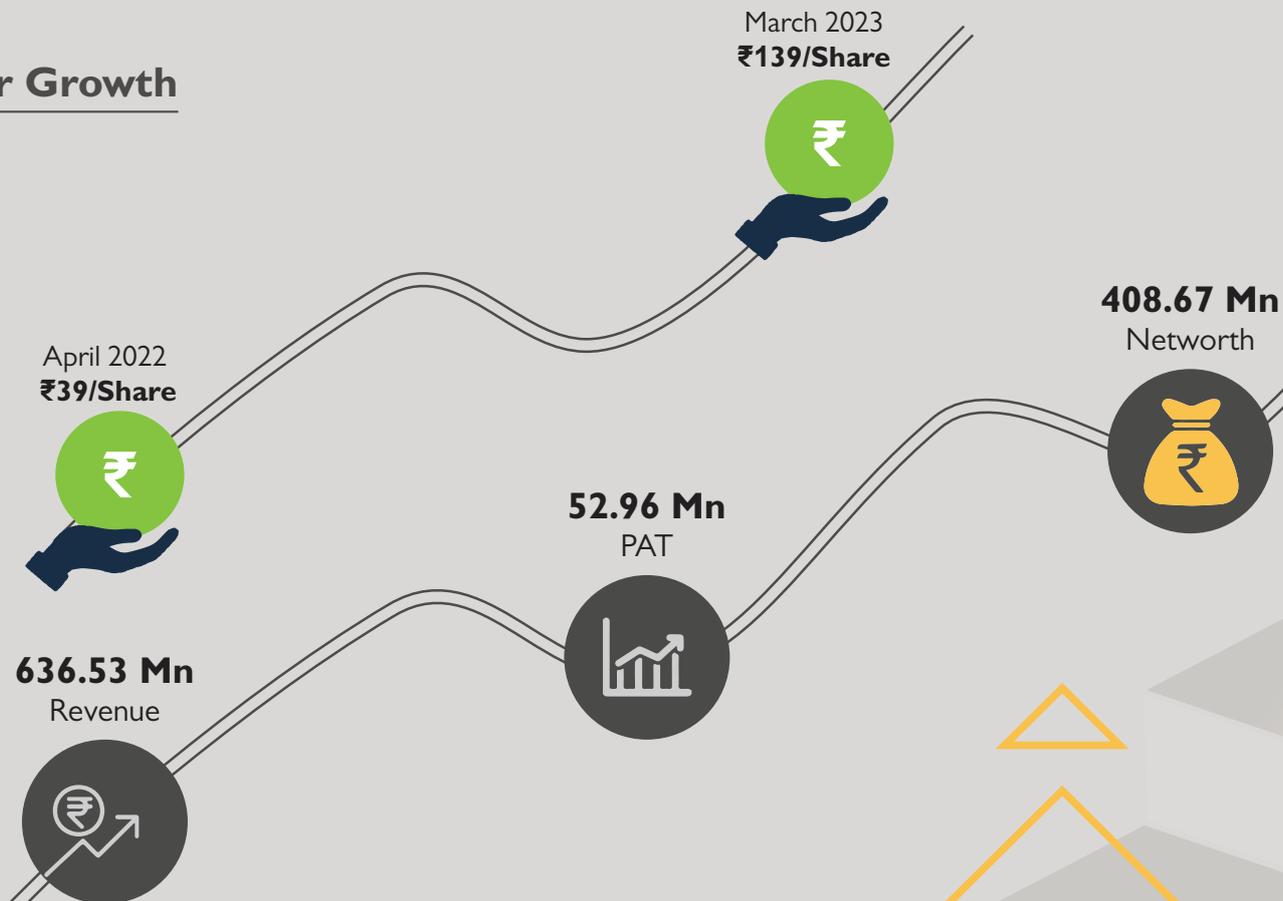


(Plot No: 503/A, GIDC Estate, Halol – 389350)

- Covering an area of ~60,000 Sq. ft
- Accredited with ISO 9001:2015 quality management system as manufacturer and exporter of stainless-steel milk cans, milking machine, milk coolers, dairy and kitchen Equipment, milk testing Equipment, Galley Equipment, shipbuilding steel bulb bars, modular vehicle barrier & automatic tyre killer.
- Products manufactured: Defence Product



Our Growth



	Product Description	Application
	“DMR249A” Grade Steel Bulb Bars Bulb bars are specialized steel sections which are used as stiffeners for the hull construction of Naval warships	Components for Critical Naval Applications. Used as stiffeners in shipbuilding, especially in the Ship Hull.
	Special Steel Alloy Ballast Bricks Special Alloy bricks having low magnetic signature, & high Corrosion Resistance	Used as counterweight for critical Naval applications.
	Welding Wire Special Alloy steel, Diameter from range 1.20mm to 4.0mm	Used for Welding special Steel in Critical Naval Applications. Known for High Tensile and high impact toughness.
	Fused Flux Specially developed Fused flux for SAW	Suitable for high tensile weld joints. Provides shielding of Weld arc for Moisture free weld joints.
	Welding Electrodes Specially Developed Super Alloy Steel Weld Electrodes	Suitable for all kinds of Arc Welding. Developed for critical Naval Application.
	Heavy Vehicle Factory (HVF) Steel Profile is a domestically produced specialized steel profile with high tensile and complex properties, designed for armored vehicles, previously imported from Russia.	Utilized in the manufacturing of armored vehicles. Exceptional toughness and strength, enhancing the overall durability.

Security Products

	Product Description	Application
	<p>Improved Space Heating Device or Bukhari</p> <p>Agreement with Defense Institute for Physiology & Allied Sciences (DIPAS) and DRDO for Transfer of Technology.</p>	<p>Used by the Army at High Altitude for room warming to protect from extreme cold temperatures.</p> <p>Safe to use , prevents accidents from emissions.</p>
	<p>Modular Vehicle Barrier</p> <p>MVB prevents intruding Vehicle, ensuring safety in large gathering/ crowds.</p>	<p>Used by Security forces to prevent casualties by Ramming Vehicle</p>
	<p>Improvised Explosive Device (IED) Containment Vessel (Under Development Stage)</p> <p>Agreement entered with Research & Development Establishment (Engineers) (R&DEE), Pune and DRDO for renewal of Transfer of Technology</p>	<p>Indigenous, one-time use, cost-effective vessel to contain detonation effects of IEDs.</p> <p>Can contain detonation effects upto a 6kg IED.</p>

Dairy Products

	Product Description
	<p>Milk Cooling Tank</p> <p>Milk Cooling Tanks from Capacity 300L to 10,000L, used by Dairies for Cooling of Milk during procurement.</p>
	<p>Milking Parlour</p> <p>Milking Parlours for Commercial Dairy Farms.</p>
	<p>Milking Machine</p> <p>It is designed to minimize human contact with milk which helps in maintaining hygiene during milking and produces with a lower bacterial count.</p>
	<p>Stainless Steel Milk Can</p> <p>Stainless Steel Milk cans with Capacity from 5L to 50L Milk Cooling</p>

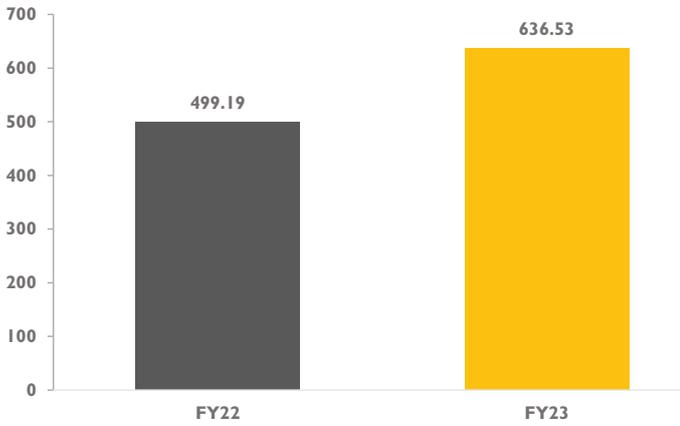


Key Financial Highlights:

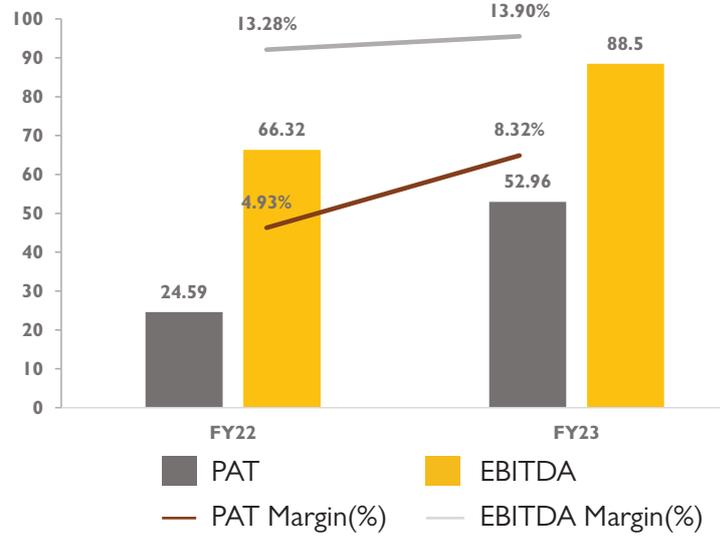
Financial Performance

I. Yearly Comparison :

Revenue from Operations (Rs. In Mn)

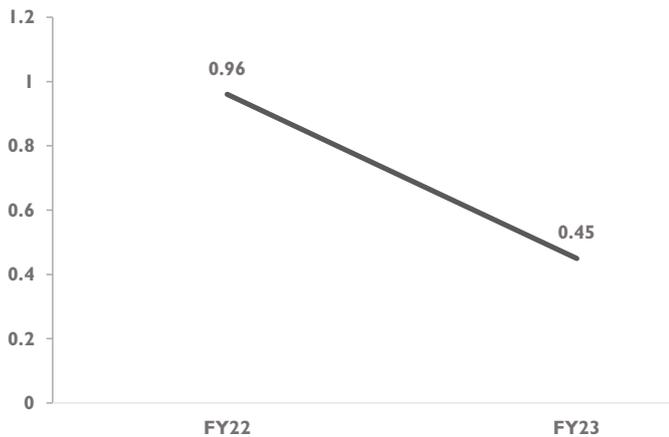


Profitability (Rs. In Mn) & Margins

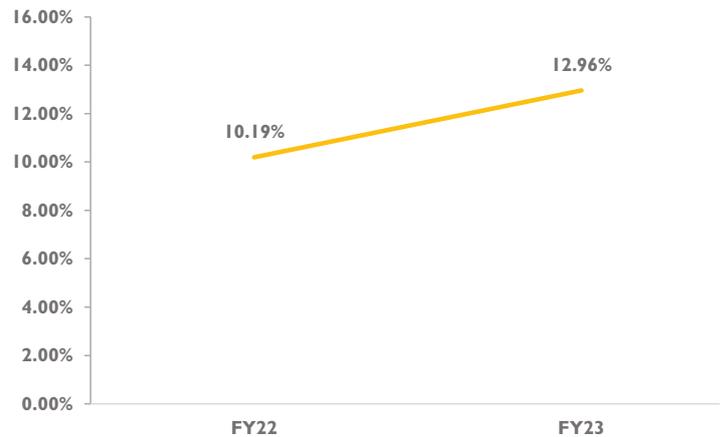


2. Balance Sheet Ratios:

Debt to Equity

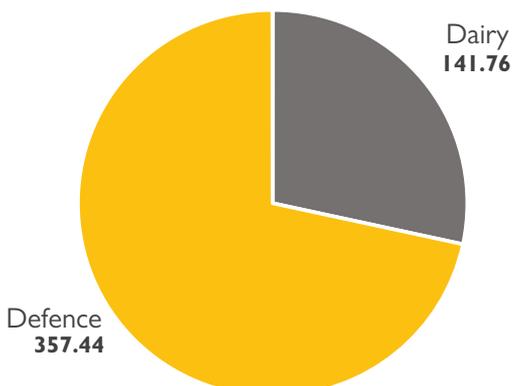


Return on Equity

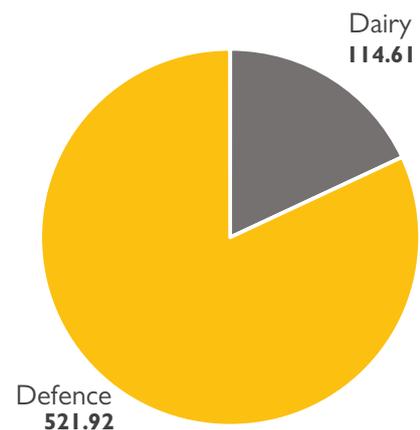


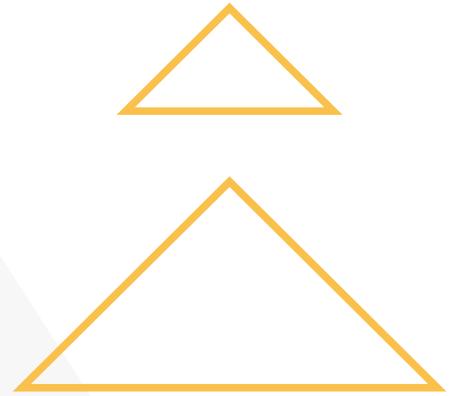
3. Segment Revenue Distribution:

FY22 Revenue (Rs. In Mn)



FY23 Revenue (Rs. In Mn)





CORPORATE INFORMATION

Corporate information

KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

CIN:- U74900MH2013PLC248021

BOARD OF DIRECTORS

NAME	- DESIGNATION
Mrs. Preyal Ankur Shah	- Chairperson & Non-Executive Director
Mr. Ankur Ashwin Shah	- Managing Director
Mr. Divyakant Ramniklal Zaveri	- Independent Director
Mr. Jaykumar Toshniwal	- Independent Director
Mr. Sandeep Ramrao Kadam	- Whole Time Director
Mr. Suwendu Banerjee*	- Whole Time Director

*(up to 27.05.2022)

CHIEF FINANCIAL OFFICER

Mr. Piyush Patel

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Charmy Shah

STATUTORY AUDITORS

M/s. CNK & Associates LLP

Chartered Accountants, Vadodara

SECRETARIAL AUDITORS

H. M. Mehta & Associates,

Practicing Company Secretary, Vadodara

BANKERS

Axis Bank Limited

Punjab National Bank

REGISTRAR & SHARE TRANSFER AGENT:

BIGSHARE SERVICES PRIVATE LTD.

E-3 Ansa Industrial Estate

Saki Vihar Road, Sakinaka

Mumbai-400072

Email: investor@bigshareonline.com

Website: www.bigshareonline.com

REGISTERED OFFICE

344, Floor-3, Plot-267,
A To Z Industrial Estate,
Ganapatrao Kadam Marg, Lower Parel,
Delisle Road,
Mumbai,
Maharashtra, 400013 India

CORPORATE OFFICE

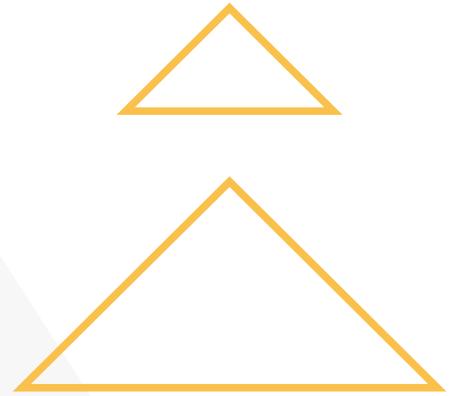
2nd Floor Office no.207-208,
Atlantis Heritage,
Vadivadi Road, Sarabhai campus,
Vadodara-390023

PLANT-I

Plot No. 121/8/9/20/21/22/23-24,
GIDC Estate, Kalol,
Panchmahals,
Gujarat, 389330

PLANT-II

Plot No: 503/A,
GIDC Estate,
Halol - 389350



NOTICE

NOTICE

NOTICE is hereby given that 10th Annual General Meeting of the Members of Krishna Defence and Allied Industries Limited will be held on Saturday, the 30th day of September, 2023 at 11.00 a.m. through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

Item No. 1: Adoption of the Audited Financial Statements as at 31st March, 2023:

To consider and adopt the Audited Financial Statements of the Company for the Financial year ended on March 31, 2023, together with the Report of the Board of Directors’ and Auditors’ and in this regard pass the following resolution as Ordinary Resolution:

“RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended on March 31, 2023 and the reports of the Board of Directors and Auditors’ thereon laid before this meeting be and are hereby adopted.”

Item No. 2: Re-Appointment of Director:

To appoint a Director in place of Mrs. PREYAL ANKUR SHAH (DIN: 06966962), who retires by rotation at this Annual General Meeting, in terms of section 152(6) of the Companies Act, 2013 and, being eligible, has offered herself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Mrs. PREYAL ANKUR SHAH (DIN: 06966962), who retires by rotation at this Annual General Meeting and being eligible has offered herself for reappointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.”

By Order of the Board of Directors

Krishna Defence and Allied Industries Limited

	Sd/-	Sd/-
Place: Mumbai	Ankur Shah	Preyal Shah
Date: 05-09-2023	Managing Director	Chairperson and Non-Executive Director
	DIN: 01166537	DIN: 06966962

NOTES:

1. The Ministry of Corporate Affairs, Government of India (“MCA”) vide its General Circular Nos. 20/2020 and 10/2022 dated 05 May, 2020 and 28 December, 2022 respectively, and other circulars issued in this respect (“MCA Circulars”) allowed, inter-alia, conduct of AGMs through Video Conferencing / Other Audio-Visual Means (“VC/OAVM”) facility. The Securities and Exchange Board of India (“SEBI”) also vide its Circular No. SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated 05 January, 2023 (“SEBI Circular”) has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). In compliance with these Circulars, provisions of the Companies Act, 2013 (“the Act”) and the Listing Regulations, the 10th AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 10th AGM shall be the Registered Office of the Company.
2. In compliance with applicable provisions of the Companies Act, 2013 (‘the Act’) read with the aforesaid MCA Circulars and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), the 10th AGM of the Company is being conducted through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
3. Central Depository Services (India) Limited (CDSL), will be providing facility for voting through remote e-voting, for participation in the 10th AGM through VC/OAVM facility and e-voting during the AGM.
4. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars and SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice. However, corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution/authorization letter to the Company on its registered email address to cs@krishnaallied.com or upload on the VC portal / e-Voting portal.
5. Participation of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.
6. The Explanatory Statement pursuant to Section 102(1) of the Act with respect to the Ordinary/Special Business to be transacted at the meeting set out in the Notice is annexed hereto.
7. The brief details of the persons seeking appointment/re-appointment as Directors as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the ICSI, is also annexed to this Notice.
8. In line with the aforesaid MCA Circulars and SEBI Circular dated May 13, 2022 printing and dispatch of physical Annual Reports of 2022-23 to the shareholders has been dispensed with. Hence, the Notice of AGM (‘Notice’) along with Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Member may note that Notice and Annual Report 2022-23 will also be available on the Company’s website at <https://www.krishnaallied.com> website of the Stock Exchange i.e. NSE Limited at <https://www.nseindia.com/> and on the website of CDSL, the e-voting agency at www.evotingindia.com.
9. The Register of members and Share Transfer Books of the Company will remain closed from, Sunday 24th day of September, 2023 to Saturday, 30th day of September, 2023 (both days inclusive) for annual closing.
10. Members desirous of obtaining information/details about the accounts, are requested to write to the Company at least one week before the meeting, so that proper information can be made available at the time of meeting. The Members desirous of inspection of documents may write to the Company through E-mail and the same shall be sent to them electronically.
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc with the Depository through their Depository Participant(s).
12. CDSL e-Voting System – For Remote e-voting and e-voting during AGM
 - a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI

(Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-Voting as well as the e-Voting system on the date of the AGM will be provided by CDSL.

- b) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- c) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- d) Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-Voting.

The Instructions of Shareholders for e-voting and joining Virtual Meetings are as under:

STEP 1: ACCESS THROUGH DEPOSITORIES CDSL/NSDL E-VOTING SYSTEM IN CASE OF INDIVIDUAL SHAREHOLDERS HOLDING SHARES IN DEMAT MODE.

STEP 2: ACCESS THROUGH CDSL E-VOTING SYSTEM IN CASE OF SHAREHOLDERS HOLDING SHARES IN PHYSICAL MODE AND NON-INDIVIDUAL SHAREHOLDERS IN DEMAT MODE.

- I. The e-voting period begins on Wednesday, 27th September, 2023 at 9:00 a.m. (IST) and ends on Friday, 29th September, 2023 at 5:00 p.m. (IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Saturday, 23rd September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- III. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-Voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.
 1. Currently, there are multiple e-Voting service providers (ESPs) providing e-Voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
 2. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-Voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.
- IV. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in Demat mode with CDSL Depository</p>	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues relate to login through Depository i.e. CDSL and NSDL

Login Type	Helpdesk Details
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1 800 22 55 33</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1 800 1020 990 and 1 800 22 44 30</p>

STEP 2: ACCESS THROUGH CDSL E-VOTING SYSTEM IN CASE OF SHAREHOLDERS HOLDING SHARES IN PHYSICAL MODE AND NON-INDIVIDUAL SHAREHOLDERS IN DEMAT MODE.

- V. Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
 - a) The shareholders should log on to the e-voting website www.evotingindia.com.
 - b) Click on “Shareholders” module.
 - c) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - d) Next enter the Image Verification as displayed and Click on Login.
 - e) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - f) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter themember id/folio number in the Dividend Bank details field.

- V. After entering these details appropriately, click on “SUBMIT” tab.
- VI. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- VII. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- VIII. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- IX. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- X. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- XI. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- XII. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- XIII. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- XIV. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XV. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- XVI. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non-Individual shareholders are required mandatory to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz. cs@krishnaallied.com (designated email address of the Company), if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM E-VOTING DURING MEETING ARE AS UNDER:

- a. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- b. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- c. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- d. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
- e. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 - f. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - g. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least one week prior to meeting mentioning their name, Demat account number/folio number, email id, mobile number at cs@krishnaallied.com The shareholders who do not wish to speak during the AGM but have queries may send their queries at least one week in advance prior to the date of AGM mentioning their name, demat account number/folio number, email id, mobile number at cs@krishnaallied.com. These queries will be replied by the company suitably by email.
 - h. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
 - i. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
 - j. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES

- a. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id –cs@krishnaallied.com/ investor@bigshareonline.com
- b. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
- c. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager (CDSL), Central Depository Services (India) Limited, 'A' Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

13. Other Information:

1. Mr. Hemang M. Mehta, Proprietor of M/s. H. M. Mehta & Associates, Practicing Company Secretaries, Vadodara, Gujarat (Membership No. FCS - 4965 & Certificate of Practice No. 2554) has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and e-Voting during the AGM in a fair and transparent manner.
2. The Scrutinizer shall after the conclusion of e-Voting at the AGM, will first count the votes cast during the meeting and thereafter unblock the votes cast through remote e-Voting and shall make, in two working days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the e-Voting forthwith.
3. The results declared of e-Voting along with the report of the Scrutinizer shall be placed on the website of the Company at <https://www.krishnaallied.com> and on the website of CDSL e-Voting immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange i.e. NSE Limited.

Krishna Defence and Allied Industries Limited

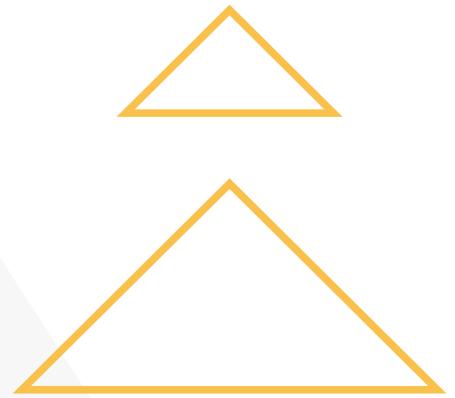
	Sd/-	Sd/-
Place: Mumbai	Ankur Shah	Preyal Shah
Date: 05-09-2023	Managing Director	Chairperson and Non-Executive Director
	DIN: 01166537	DIN: 06966962

Particulars of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended and Secretarial Standards on the General Meeting

(In pursuance of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of Director	Mrs. Preyal Ankur Shah
DIN	06966962
Date of Birth	12/10/1980
Date of Appointment on the board	11/01/2022
Relationship Between Director's' inter se	Wife of Mr. Ankur Ashwin Shah (Managing Director of the Company)
Expertise in Specific functional area	15 years
Qualification	Bachelor of Commerce
Other Board Membership*	-
Committee Membership in other public companies	-
Number of Shares held in the Company	84000 Shares

* Private Companies excluded



BOARD'S REPORT

Board's report

Dear Shareholders,

The Board of Directors hereby submits the report of the business and operations of your Company ("the Company") along with the audited financial statements, for the financial year ended March 31, 2023.

I. Financial Highlights:

(Rs. In Lakhs)

Particulars	2022-23	2021-22
Revenue from Operations	6365.33	4991.92
Other Income	95.28	42.41
Total Revenue	6460.61	5034.34
Expenses:		
Cost of materials consumed	1803.65	1526.73
Purchases of Stock-in-Trade	2643.95	648.25
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(1130.94)	(57.74)
Employee benefit expenses	918.35	913.59
Finance costs	110.26	186.16
Depreciation and amortization expenses	196.81	167.56
Other expenses	1245.36	1297.93
Total expenses	5787.44	4682.48
Profit /(Loss) before Tax	673.17	351.86
Less: Tax Expenses		
Current Tax	145.11	91.37
Tax of earlier years (Net)	5.42	5.63
Deferred Tax Liability	(6.95)	8.96
Profit for the period	529.59	245.89

2. Company's Performance

The revenue from operations during the year 2022-23 has increased to Rs. 6,365.33 Lakhs as compared to Rs. 4991.92 Lakhs in the last financial year. The Profit before tax is Rs. 673.17 Lakhs for FY 2022-23 as compared to Rs. 351.86 Lakhs in the last financial year. The company has made profit of Rs. 529.59 Lakhs for FY 22-23 as compared to Rs. 245.89 Lakhs in the last financial year.

3. Management Discussion & Analysis

A detailed review of the operations, performance and future outlooks of the Company and its businesses is given in the Management Discussion and Analysis Report which forms part of this Report as Annexure I.

4. Directors and Key Managerial Personnel

In accordance with the requirements of the Act and the Company's Articles of Association, Mrs. Preyal Ankur Shah DIN (06966962) retires by rotation and being eligible, offers herself for re-appointment. Relevant resolutions (Ordinary and Special, as applicable) seeking shareholders' approval forms part of the Notice.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2023 are:

- Mr. Ankur Ashwin Shah – Managing Director
- Mr. Sandeep Kadam – Whole Time Director
- Mr. Piyush Patel- Chief Financial Officer
- Ms. Charmy Shah- Company Secretary and Compliance Officer

The List of Directors as on 31st March, 2023 are as under:

Name of Director	Category Designation	Cum	Date of Appointment	No. of Shares held as on March 31, 2023
Mr. Ankur Ashwin Shah	Managing Director		10/09/2013	52,53,890
Mr. Divyakant Ramniklal Zaveri	Independent Director		23/08/2021	-
Mr. Jaykumar Toshniwal	Independent Director		23/08/2021	-
Mrs. Preyal Ankur Shah	Chairman & Non-Executive Director		11/01/2022	84,000
Mr. Sandeep Ramrao Kadam	Whole-time Director		11/03/2014	-

5. Transfer to General Reserve

The Company does not propose to transfer any amount to the general reserve out of the amount available for appropriation.

6. Dividend

In view of requirement of financial resources and considering the future requirements of funds, your directors do not recommend any dividend on equity shares of the Company.

7. Change in Nature of Business:

During the year, the Company has not changed its business or object and continues to be in the same line of business as per the main object of the Company.

8. Transfer of Unclaimed Dividend to Investor Education and Protection Fund

The provision of Section 125 does not apply to the Company as the Company has not declared any dividend for the period under review.

9. Share Capital

Authorised Capital:

During the period under review the Company had increased its Authorized Share Capital from Rs. 12,00,00,000 divided into 1,20,00,000 (One Crore Twenty Lakhs) Equity Shares of Rs. 10 (Ten) Each to Rs. 15,00,00,000 divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs. 10 (Ten) Each by passing Ordinary Resolution passed at Extraordinary General Meeting of the members of the company held on 03rd January, 2023.

Issued, Subscribed & Paid-Up Capital:

In FY 22-23, the Company came out with the Initial Public Offer and hence, issued and allotted 30,48,000 equity shares of Rs. 10 each at the premium of Rs. 29 per equity share. Accordingly, paid-up share capital of the Company stood enhanced to Rs. 11,44,80,000 divided into 1,14,48,000 (One Crore Fourteen-Lakhs and Forty-Eight Thousand Only) Equity Shares of Rs. 10/- Each. The Company got listed on the NSE EMERGE platform of National Stock Exchange on April 06, 2022.

Further, during the period under review, your Company has not bought back any of its securities / has not issued any Sweat Equity Shares / has not issued shares with Differential Voting rights / has not issued any shares under Employee

stock option plan and there has been no change in the voting rights of the shareholder

10. Preferential Issue

Pursuant to 62 (1) (c) read with Section 42 of Companies Act, 2013 and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Special Resolution passed in Extra-Ordinary General Meeting dated 03rd January, 2023, the Company had issued 12,00,000 (Twelve lakhs only) Convertible Warrants of the company, at a price of Rs. 140.00/- per Warrant each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company having face value of 10/- (Rupee Ten Only) at a premium of Rs. 130.00/- aggregating upto Rs. 16,80,00,000/- (Rupees Sixteen Crores Eighty Lakhs only) ("Total Issue Size") on a preferential basis to persons / entity listed below.

S r . No.	Names of the proposed allottees	Category	Maximum Nos. of Warrants to be Allotted
A.	Promoters/Promoter Group		
1	Mrs. Preyal Ankur Shah	Promoter Group	2,52,000
2	Mrs. Pallavi Ashwin Shah	Promoter Group	1,02,000
B.	Others		
3	Mr. Ashish Ramesh Kacholia	Non-Promoter -Public	4,20,000
4	Mr. Sumesh Sajankumar Parasrampurua	Non-Promoter -Public	99,000
5	Mr. Dilip Nanji Chheda	Non-Promoter -Public	99,000
6	M/s. Zyana Developers LLP	Non-Promoter -Public	99,000
7	M/s. Credent Asset Management Services Private Limited	Non-Promoter -Public	99,000
8	Mr. Mitul Prafulbhai Mehta	Non-Promoter -Public	30,000

11. General Meetings

During the year under review, the following General Meetings were held, the details of which are given as under:

Sr. No	Date of Meeting	Type of Meeting
01	28 th September, 2022	Annual General Meeting
02	30 th January, 2023	Extra-Ordinary General Meeting

12. Disclosure by Directors

The Directors on the Board have submitted notice of interest under Section 184(1) i.e. in Form MBP I, intimation under Section 164(2) i.e. in Form DIR 8 and declaration as to compliance with the Code of Conduct of the Company.

13. Change in Registered Office

During the year, there was no change in Registered Office of the Company.

14. Material changes and commitment if any affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate and the date of the report

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date

of this Report.

15. Conversation of energy, technology absorption, foreign exchange earnings and outgo:

Information as required to be given under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in the annexure to this report as Annexure II.

16. Statement concerning development and implementation of risk management policy of the company

The Company has been taking proactive approach concerning the development and implementation of a Risk Management Policy after identifying the following elements of risks which in the opinion of the Board may threaten the very existence of the Company itself. (a) financial; (b) legal and regulatory; (c) operating; and (d) commercial risks, including health, safety and environment. The Company does not have any Risk Management Committee as the Board takes into consideration all the risk factors at regular intervals at its meetings.

17. Corporate social responsibility

During the Financial Year 22-23, provisions relating to Corporate Social Responsibility under Section 135 of the Companies Act, 2013 were not applicable to the Company.

However, after end of the Financial Year the Company the provision of CSR became applicable since the net profit of the Company exceed the thresholds specified in Section 135 of the Companies Act.

The members Details of CSR Committee is as under

Sr.No.	Name of Director/ Member	Designation in Committee
1.	Mr Ankur Ashwin Shah	Chairman
2.	Mr Divyakant Ramniklal Zaveri	Member
3.	Mr Sandeep Ramrao Kadam	Member

18. Insurance

The Company has a broad-banded approach towards insurance. Adequate cover has been taken for all movable and immovable assets against numerous risks and hazards.

19. Disclosure under the sexual harassment of women at workplace (prevention, prohibition and redressal) act, 2013.

Your Company has always believed in providing a safe and harassment free workplace for every women employee working with your Company. Your Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Your Company has a zero tolerance for sexual harassment at workplace and, therefore, has in place a policy on prevention of sexual harassment at workplace. The said policy is in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. There was no complaint outstanding/ received from any employee during the financial year 2022-23 and hence, no complaint is pending as on March 31, 2023 for redressal.

20. Details of application made or any proceeding pending under insolvency and bankruptcy code, 2016

During the year under Review, neither any application was made nor any proceedings were pending under Insolvency and Bankruptcy Code, 2016.

21. The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof

Not Applicable

22.Particulars of loans, guarantees or investments made under section 186 of the companies act, 2013

The details of Loans given, Investments made and guarantees given and securities provided under the Section 186 of the Companies Act, 2013 have been provided in the notes to the Financial Statements.

23.Details of significant & material orders passed by the regulators or courts

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

24.Maintenance of cost records and cost audit

Maintenance of Cost Records has been specified by the Central Government, under sub -section (1) of section 148, of the Companies Act, 2013, and records has been made and maintained for year under review. However, the provisions of cost audit are not applicable to the Company.

25.Company's policy relating to directors appointment, payment of remuneration and discharge of their duties

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 is available on the website of the Company at and have been displayed on website <https://www.krishnaallied.com>.

26.Formal annual evaluation

As per the provisions of Companies Act, 2013, every listed company and every other public company having a paid up share capital of twenty five crore rupees or more calculated at the end of the preceding financial year shall include, in the report by its Board of directors, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors.

During the year under review the company had the paid up share capital less than twenty five crore rupees hence the said provisions were not applicable to your company.

27.Statutory auditors

At the 8th Annual General Meeting held on 30.11.2021, M/s. CNK & Associates LLP, Chartered Accountant (FRN: 101961W), were appointed as Statutory Auditors of the Company to hold the office till the conclusion of the 13th Annual General Meeting to be held in relation to the financial year ended on 31.03.2026. The Report issued by M/s. CNK & Associates LLP, Chartered Accountant (FRN: 101961W), Statutory Auditor for FY 2022-23 does not contain any qualification, reservation, adverse remark or disclaimer.

28.Secretarial audit report

M/s. H. M. Mehta & Associates., Company Secretaries, Vadodara were appointed as Secretarial Auditor of the Company to conduct secretarial audit pursuant to the provisions of Section 204 of the Companies Act, 2013. The secretarial audit of the Company has been conducted on a concurrent basis in respect of the matters as set out in the said rules and Secretarial Audit Report given by M/s. H. M. Mehta & Associates., Company Secretaries, Vadodara, Secretarial Auditor of the Company forms part of this report and is marked as Annexure-III.

There are no qualifications, reservations or adverse remarks made by M/s. H. M. Mehta & Associates., Company Secretaries, Vadodara, Secretarial Auditor of the Company, in their report.

29.Annual return

In compliance with Section 92(3) and 134(3)(a) of the Act, Annual Return is uploaded on Company's website and can be accessed at <https://www.krishnaallied.com>

30.Disclosure under rule-5 of the companies (appointment and remuneration) rules, 2014

Disclosure required under Section 197 of the Companies Act, 2013 read with Rule-5 of the Companies (Appointment and remuneration) Rules, 2014 have been annexed as Annexure- IV.

31. Particulars of contracts or arrangements made with related parties

Contracts or arrangements with related parties referred to under Section 188 of the Act, entered into during the year under review, were on an arm's length basis. No material contracts or arrangements with related parties were entered into during the year under review. Accordingly, no transactions are being reported in form AOC- 2 in terms of section 134 of the Act.

32. Corporate governance

As per regulation 15(2) of the Listing Regulation, the Compliance with the Corporate Governance provisions shall not apply in respect of the following class of the Companies:

- Listed entity having paid up equity share capital not exceeding Rs. 10 Crore and Net worth not exceeding Rs. 25 Crore, as on the last day of the previous financial year;
- Listed entity which has listed its specified securities on the SME Exchange.

Since, our Company falls in the ambit of aforesaid exemption (b); hence compliance with the provisions of Corporate Governance shall not apply to the Company and it does not form the part of the Annual Report for the financial year 2022-23.

33. Number of board meetings conducted during the year under review

The Board of the Company regularly meets to discuss various Business opportunities. Additional Board meetings are convened, as and when required to discuss and decide on various business policies, strategies and other businesses.

The Company had Nine Board meetings during the financial year under review:

Sr. No	Date of Meeting	Number of Directors entitled to Attended Meeting	No. of Directors Attended Meeting
1	01.04.2022	6	6
2	27.05.2022	6	6
3	28.07.2022	5	4
4	24.08.2022	5	5
5	11.11.2022	5	5
6	03.01.2023	5	5
7	24.01.2023	5	5
8	08.02.2023	5	5
9	15.03.2023	5	5

34. Audit committee

The Audit Committee is duly constituted in accordance Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 & Regulation 18 of Listing Regulations as amended from time to time. It adheres to the terms of reference which is prepared in compliance with Section 177 of the Companies Act, 2013.

The Company Secretary acts as the Secretary to the committee and the Committee Members are:

Name of Members	Chairman/Member	Nature of Directorship	No. of Meeting Held	No. of Meeting Attended
Mr. Divyakant Ramniklal Zaveri	Chairman	Independent Director	8	8
Mr. Jaykumar Toshniwal	Member	Independent Director	8	8
Mr. Ankur Ashwin Shah	Member	Managing Director	8	8

Two third of the members are Independent Directors and all the members are financially literate. The composition, role, functions and powers of the Audit Committee are in line with the requirements of applicable laws and regulations. The Audit Committee shall oversee financial reporting process and disclosures, review financial statements, internal audit reports, related party transactions, financial and risk management policies, auditors' qualifications, compliance with Accounting Standards etc. and oversee compliance with Stock Exchanges and legal requirements concerning financial statements and fixation of audit fee as well as payment for other services etc.

During the year under review eight Audit Committee Meetings were held on 27-05-2022, 28-07-2022, 24-08-2022, 11-11-2022, 03-01-2023, 24-01-2023, 08-02-2023, 15-03-2023

35. Nomination and remuneration committee

The Nomination and Remuneration Committee is constituted in accordance with Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 & Regulation 19 of Listing Regulations as amended from time to time.

The Company Secretary acts as the Secretary to the committee and the Committee Members are:

Name of Members	Chairman/Member	Nature of Directorship	No. of Meeting Held	No. of Meeting Attended
Mr. Divyakant Ramniklal Zaveri	Chairman	Independent Director	2	2
Mr. Jaykumar Toshniwal	Member	Independent Director	2	2
Mr. Preyal Ankur Shah	Member	Chairperson & Non Executive Director	2	1

During the year under review two Nomination and Remuneration Committee Meetings were held on 27-05-2023 & 24-08-2023

36. Stakeholders relationship committee

The Stakeholders Relationship Committee was duly constituted and is in compliance with the requirements of Section 178 of the Companies Act, 2013 & Regulation 20 of Listing Regulations.

Company Secretary is the Compliance Officer, who acts as the Secretary to the Committee and the Members of the Committee are:

Name of Members	Chairman/Member	Nature of Directorship	No. of Meeting Held	No. of Meeting Attended
Mr. Jaykumar Toshniwal	Chairman	Independent Director	2	2
Mr. Divyakant Ramniklal Zaveri	Member	Independent Director	2	2
Mr. Sandeep Kadam Ramrao	Member	Whole-Time Director	2	1

The Stakeholders Relationship Committee looks into shareholders' complaints related to transfer of shares, non-receipts of balance sheet besides complaints from SEBI, Stock Exchanges, Court and various Investor Forums. It oversees the performance of the Registrars and Transfer Agent, and recommends measures for overall improvement in the quality of investor services. The Company is in compliance with the SEBI SCORES, which has initiated by SEBI for processing the investor complaints in a centralized web-based redress system and online redressal of all the shareholders complaints.

During the year under review no grievances were received based on the reports from Bigshare Services Private Limited.

37. Subsidiaries, joint ventures and associate companies

The Company does not have any Subsidiary, Joint venture or Associate Company.

38. Cost auditors

As the overall turnover from all the products and services was not more than Rs. 100.00 crores during the immediately

preceding financial year, the provisions in respect of Cost Audit are not applicable to the Company in terms of Rule 4 of the Companies (Cost Records and Audit) Rules, 2014.

39. Compliance officer

The Compliance Officer of the company is Ms. Charmy Shah who is the designated Company Secretary of the Company.

40. Registrar and share transfer agent

The Company has appointed Bigshare Services Private Limited as its Registrar and Share Transfer Agent.

41. Internal auditor

M/s Shilmi J Patel & Co. Chartered Accountants, Vadodara, FRN-154683W, Internal Auditor of the Company has conducted periodic audit of operations of the Company. The Audit Committee of the Board of Directors has reviewed the findings of Internal Auditors regularly.

42. Internal control systems & their adequacy

Internal controls encompass a set of rules, policies and procedures to provide reasonable assurance for achievement of the organizational objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies. Your Company's internal control systems are commensurate with the size and nature of its operations, which records transactions and operations; ensures protection against misuse or loss of the Company's assets; ensures efficiency in operations of the plant and facilitates transparency and accuracy of financial reporting.

The reports of the Internal Auditor are reviewed by the Audit Committee. The Audit Committee also reviews adequacy of internal controls, system and procedures, insurance coverage of assets from various risks and steps are taken to manage foreign currency exposures. The Audit Committee also interacts with Internal Auditors and Statutory Auditors of the Company to ensure compliance of various observations made during the conduct of audits and adequacy of various controls.

43. Deposits

The Company has not invited deposit from members or public.

44. Website

The corporate website is <https://www.krishnaallied.com> reflecting the details and business of the company. Also, the website displays financial & corporate information.

45. Declaration of independent directors

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Act and Regulations 16(1) (b) and 25(8) of the SEBI Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board.

Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

The Board of directors of the Company has taken on record the declaration and confirmation submitted by the independent directors after undertaking due assessment of the veracity of the same. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

46. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. Internal financial control means the policies and procedures adopted by the Company 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.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

47. Details in respect of frauds reported by auditors

During the year under review, there were no frauds reported by the Company or fraud on the Company by the officers and employees of the Company has been noticed or reported or no fraud are reported by the auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

48. Secretarial standards of icsi

Your company has complied with the provisions of Secretarial Standards issued by Institute of Company Secretaries of India.

49. Vigil mechanism / whistle blower policy

The Company has adopted the whistle blower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. The Company has a "VIGIL MECHANISM / WHISTLE BLOWER POLICY", the copy of which is available on the website of the Company, namely <https://www.krishnaallied.com>

50. Safety & environment

The Company is committed to providing a safe and healthy working environment and achieving an injury and illness free work place.

51. Listing fees

The Equity Shares of the Company are listed on NSE – NEAPS Segment and the Company has paid the annual listing fees for the year 2023-2024.

52. Human resource

Your Company considers its Human Resource as the key to achieve its objective. Keeping this in view, your Company takes utmost care to attract and retain quality employees. Your Company appreciates the spirit of its dedicated employees.

53. Green initiatives

In commitment to keep in line with the Green Initiatives and going beyond it, electronic copy of the Notice of 12th

Annual General Meeting of the Company including the Annual Report for Financial Year 2022-23 are being sent to all Members whose e-mail addresses are registered with the Company/ Depository Participant(s).

54. Acknowledgements

The Board of Directors is grateful and wish to record its appreciation for the co-operation and support of the shareholders of the Company, Bankers of the Company, clients of the Company and all employees including the workers, staff and management and all others concerned with the Company's business.

Your directors gratefully acknowledge the on-going support and co-operation provided by Central and State Government, Stock Exchange, SEBI, NSDL, CDSL and other regulatory bodies.

By Order of the Board of Directors

Krishna Defence and Allied Industries Limited

Place: Mumbai

Date: 05-09-2023

Sd/-

Ankur Shah

Managing Director

DIN: 01166537

Sd/-

Preyal Shah

Chairperson and Non-Executive Director

DIN: 06966962

I. Management Discussion & Analysis

Upon initial observation, the world economy appears to be in the process of a gradual rebound from the repercussions of both the COVID-19 pandemic and the unforeseen conflict between Russia and Ukraine. China, notably, is experiencing a robust resurgence in its economy as it successfully reopens its markets and mitigates supply chain interruptions. Moreover, the turmoil that had affected energy and food markets due to the conflict is progressively diminishing, contributing to a more stable global economic outlook.

The worldwide economy is on a path of gradual recuperation. Predicted growth rates dipped from 3.4% (2022) to 2.8% (2023), eventually stabilizing at 3.0% (2024). Advanced economies faced a more pronounced slowdown, sliding from 2.7% (2022) to 1.3% (2023). In a plausible alternative scenario with heightened financial stress, global growth dropped to around 2.5% (2023), with advanced economies nearing 1%. While central banks have collectively tightened monetary policies to curb inflation, the process might be slower than expected. The ongoing Russia-Ukraine conflict disrupted energy and commodity markets, curbing GDP growth and affecting regions like the US, Euro Zone, China, and emerging markets. Despite challenges, China's lead and easing disruptions are fostering a recovery. Central banks' policy adjustments are anticipated to rein in inflation.

Indian Economic Review

India outperformed with a 6.8% FY23 growth, surpassing global averages. Projected growth stands at 6.1%, resilient amid global slowdown. Factors include digitization, fiscal prudence, infrastructure push, stable commodities, robust supply chains, domestic demand, investment, and private consumption. Repo Rate increased to 6.5% to control inflation, while CPI/WPI eased. Industrial production grew 10.94%. Inflation is expected to average 5.2% in FY23/24 due to global price ease and demand moderation. Financial sector remains strong, and World Bank revised FY23/24 GDP forecast to 6.4%, citing consumption challenges.

Encouragingly, India's central government is on track to achieve its fiscal deficit target of 5.9% of GDP in FY23/24. State government deficits are also anticipated to consolidate, contributing to a decrease in the overall government deficit. This has the potential to stabilize the debt-to-GDP ratio. Moreover, the current account deficit is projected to shrink to 2.1% of GDP from an estimated 3% in FY22/23, driven by strong service exports and a reduced merchandise trade gap. These factors signify positive strides for the Indian economy.

Indian Navy plan

The Indian government has approved a Rs 20,000 crore contract to produce a fleet of urgently needed Fleet Support Vessels (FSVs) for the Indian Navy. Hindustan Shipyard Limited (HSL), located in Vizag, will be responsible for the construction of five warships, each weighing 45,000 tonnes. These vessels constitute the largest ships in their class and will be manufactured at the defense ministry-owned shipyard.

Initiated in 2016 following a green light from the Indian Navy, the Indian FSV project aims to enhance the Navy's operational capabilities. The primary purpose of these ships is to provide extensive support to warships during long-range patrols, equipped to transport various essentials, including fuel, ammunition, and provisions. Furthermore, the FSVs will cater to ships of all classifications, including the two Indian aircraft carriers.

In addition to addressing the Navy's immediate requirements, the project reflects a broader strategic vision. The Indian Navy is actively planning and designing an array of advanced vessels, encompassing next-generation missile vessels and counter-mine vessels. This comprehensive naval modernization effort also encompasses the imminent order of three additional Scorpene class submarines.

By investing in these initiatives, the Indian Navy is poised to significantly bolster its operational effectiveness and maintain a formidable presence in the region.

In a huge boost to achieve 'Aatmanirbhar' in defence, Ministry of Defence, on March 30, 2023, signed contracts with Indian shipyards for acquisition of 11 Next Generation Offshore Patrol Vessels and six Next Generation Missile Vessels at an overall cost of approx. Rs 19,600 crore.

The contract for acquisition of 11 Next Generation Offshore Patrol Vessels under Buy (Indian-IDDMM) category was signed with Goa Shipyard Ltd (GSL) and Garden Reach Shipbuilders and Engineers (GRSE), Kolkata at a total cost of Rs 9,781 crore. Of the 11 ships, seven will be indigenously designed, developed & manufactured by GSL and four by GRSE. The delivery of the ships is scheduled to commence from September 2026.

The contract for acquisition of six Next Generation Missile Vessels (NGMV) was signed with Cochin Shipyard Limited (CSL) at a cost of Rs 9,805 crore. The delivery of ships is scheduled to commence from March 2027. The NGMVs would be heavily armed war vessels incorporating stealth, high speed and offensive capability. The primary role of the ships would be to provide offensive capability against enemy warship, merchantmen and land targets.

The indigenous manufacturing of these vessels will encourage Krishna Defence and Allied Industries Ltd for their growth. With the majority of the equipment and systems sourced from indigenous manufacturers, these vessels will be a proud flag bearer of 'Aatmanirbhar Bharat'.

Annexure II

2. Information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

Disclosures of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under clause (e) of sub section (1) of section 134 (3)(m) of the companies act, 2013.

A. Conservation of energy:

(i)	The steps taken or impact on conservation of energy;	:	1) LED lights are installed within factory premises. 2) Installed automatic Power Factor Panels. 3) Changed the process of heat treatment.
(ii)	The steps taken by the company for utilizing alternate sources of energy;	:	Conducted survey for installing the Roof Top Solar system.
(iii)	The capital investment on energy conservation equipments;	:	Nil

B. Technology absorption:

(i)	The efforts made towards technology absorption;	The Company has fully absorbed the technology available at its disposal.
(ii)	The Benefits derived like product improvement, cost reduction, product development or import substitution;	Cost Reduction, product improvement, product development and import substitution for defence products.
(iii)	In case of imported technology (imported during the last 5 years reckoned from the beginning of financial year) -	No foreign technology is involve
	a) The details of technology imported ;	Nil
	b) The year of Import;	Nil
	c) Whether the technology been fully absorbed	Nil
	d) If not fully absorbed, areas where absorption has not taken place, and reasons there of; and	Nil
(iv)	The expenditure incurred on research and development.	Nil

C. Foreign exchange earnings and outgo:

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows:

	Particulars	Current Year (Amount in Lakhs)
A)	Foreign Exchange Earning	9.83
B)	Foreign Exchange Outgo	
	CIF Value of Capital Goods	-
	CIF Value of inputs	360.97
	Other	26.93
	Total (B)	387.90

By Order of the Board of Directors

Krishna Defence and Allied Industries Limited

Place: Mumbai

Date: 05-09-2023

Sd/-

Ankur Shah

Managing Director

DIN: 01166537

Sd/-

Preyal Shah

Chairperson and Non-Executive Director

DIN: 06966962

Annexure III

3. Secretarial Audit Report

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Krishna Defence and Allied Industries Limited
344, Floor-3, Plot-267, A to Z Industrial Estate,
Ganapatrao Kadam Marg, Lower Parel, Delisle Road,
Mumbai-400013,
Maharashtra, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Krishna Defence and Allied Industries Limited** having Corporate Identification Number (CIN): U74900MH2013PLC248021 (hereinafter called **“the Company”**). Secretarial Audit was conducted in a manner that provided me / us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. As such, the Company has listed its shares on the NSE EMERGE, SME exchange, it has been seeking exemption under Regulation 15(2) of the SEBI (LODR) Regulations, 2015 to the extent permitted;
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not Applicable during the audit period

- e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - Not Applicable during the audit period
 - f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - Not Applicable during the audit period
 - g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - Not Applicable during the audit period
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - Not Applicable during the audit period
 - i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - k) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 / 2018;
- (v) As informed to us, there are no other sector specific Laws which are specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards under the provisions of the Companies Act, 2013 and issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with NSE Limited (NSE).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There has been one change in the composition of the Board of Directors that took place during the period under review.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with and other applicable laws, rules, regulations and guidelines, subject to the following observation:

- I. The Company is in the process of strengthening compliances under the Labour Laws and Environment Laws.

We further report that

During the audit period the Company has undertaken following events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, acts, rules, regulations, circulars, notifications, directions, guidelines, standards, etc. referred to above:

1. on 28th September, 2022, the members at the Annual General Meeting (AGM), inter-alia approved:
 - (a) Authorization to the Board of Directors to sell, lease or otherwise dispose of undertaking of the Company;
 - (b) Authorization to the Board of Directors for Borrowings;
 - (c) Authorization for making loans, giving guarantees and making investments in other bodies corporate; and
 - (d) Ratification of appointment of Independent Director of the Company.
2. on 30th January, 2023, the members at the Extra-Ordinary General Meeting (AGM), inter-alia approved:
 - (a) Increase in Authorized Share Capital and consequent alteration to the Capital Clause of the Memorandum of Association; and
 - (b) Issuance of Convertible Equity Warrants on Preferential basis.

Note: This Report is to be read with our Letter of even date which is annexed and forms an integral part of this report.

For H. M. Mehta & Associates
Company Secretaries

Place: Vadodara

Date: 05-09-2023

Sd/-

Hemang Mehta

Proprietor

FCS No.: 4965

C. P. No.: 2554

Peer Review No.: 1184/2021

UDIN: F004965E000941021

To,
The Members,
Krishna Defence and Allied Industries Limited
344, Floor-3, Plot-267, A to Z Industrial Estate,
Ganapatrao Kadam Marg, Lower Parel, Delisle Road,
Mumbai-400013,
Maharashtra, India

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company since the same have been subject to review by the Statutory Auditors and other designated professionals.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For H. M. Mehta & Associates
Company Secretaries

Place: Vadodara

Date: 05-09-2023

Sd/-

Hemang Mehta

Proprietor

FCS No.: 4965

C. P. No.: 2554

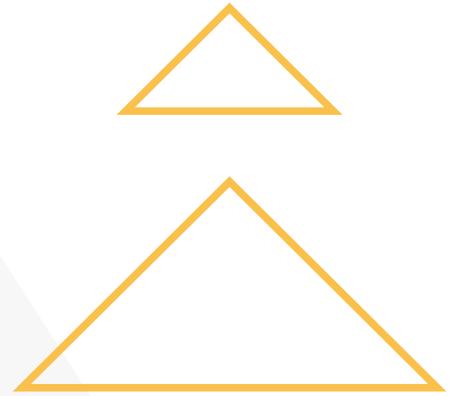
Peer Review No.: 1184/2021

UDIN: F004965E000941021

Annexure IV

4. The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr.No.	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	MD	73.11 times
		WTD	33.89 times
2	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	CS	175%
		CFO	65.60%
3	The percentage increase in the median remuneration of employees in the financial year	N.A.	
4	The number of permanent employees on the rolls of the Company as on 31st March, 2023	262	
5	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	N.A.	
6	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, it is confirmed	



INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

TO THE MEMBERS OF KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED (formerly known as Krishna Allied Industries Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Krishna Defence and Allied Industries Limited** ("the Company"), which comprises the balance sheet as at 31st March 2023, the statement of Profit and Loss, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, 2023, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information other than the Financial Statement and Auditor's Report thereon

The Company's Board of Directors is responsible preparation the other information. The other information comprises the information included in the Management discussion and analysis, board's report including Annexure to Board's Report, Shareholder's information, but does not include the financial statements and our auditor's report thereon. The Board's Report including Annexure to Board's Report, and Shareholder's Information are expected to be made available to us after the date of this auditor's report. Any Material misstatement thereon pertaining to it, will be reported thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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;

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so; The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness the company's internal financial controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as 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 the Companies (Accounting standard) Rules, 2021;

- (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 the requirements of section 197(16) of the Act, as amended and:

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

- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30.A to the financial statements;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii. The company is not required to be transferred any amount, to the Investor Education and Protection Fund by the Company.
 - iv.
 - i. The Management has represented that, to the best of it’s knowledge and belief, as disclosed in note no. 32.H(v) to the financial statements , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - ii. The Management has represented that , to the best of it’s knowledge and belief, as disclosed in note no. 32H(vi) to the financial statements, that no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
 - iv. The Company has not declared or paid any dividends during the period.
 - v. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For, C N K & Associates LLP

Chartered accountants

FRN: 101961W/W-100036

Alok B. Shah

Partner

Mem. No. 042005

Date: 22nd May, 2023

Place: Vadodara

UDIN: 23042005BGSRAGI653

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in Para I ‘Report on Other Legal and Regulatory Requirements’ in our Independent Auditor’s Report to the members of the Company on the Financial Statements for the year ended 31st March, 2023.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- I. (a) In respect of the Company’s Property, Plant and Equipment’s and Intangible Assets:
 - (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
 - (B) The Company has maintained proper records showing full particulars of Intangible Assets;
 - (b) The company has a phased programme of physical verification of its Property, Plant and Equipment so as to cover all assets once in three years. In accordance with this programme, certain Property, Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets;
 - (c) Based on our verification of the documents provided to us and according to the information and explanations given by the Management, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements, are held in the name of the Company as at the Balance Sheet date;
 - (d) The company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
 - (e) As disclosed in note no. 32.H(i) to the accounts and as verified by us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- II. (A) In our opinion and according to information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals with appropriate coverage and procedures of such verification by the management and no discrepancies were noticed on physical verification of 10% or more in aggregate for each class of inventory;
 - (B) The Company has working capital limits sanctioned from banks or financial institutions exceeding Rs. 5 crores during the year. The discrepancies in quarterly filed returns or statements with the books of accounts with explanation thereof is mentioned in Note 32.G to the financial statements;
- III. The Company has not made any investment during the year. The company has granted unsecured loans to other parties, during the year, in respect of which:

a) The details of unsecured loans provided by the company to its employees during the year, are as follows:

Unsecured Loans	No. of Parties	Aggregate amount granted/provided during the year (Rs. In Lakhs)	Balance Outstanding as at balance sheet date in respect of loans (Rs. In Lakhs)
Employee	7	5.13	8.74

- (b) In our opinion, the terms and conditions of the grant of loans are prima facie, not prejudicial to the Company’s interest;
- (c) The repayment of principal and payment of interest is been stipulated and the same are regular;
- (d) In respect of the aforesaid loan, there is no amount which is overdue for more than ninety days;
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties;

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable;

Other than that mentioned above, the company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnership or any other parties;

IV. Based on our verification of the documents provided to us and according to the information and explanations given by the Management, in respect of loans, investments, guarantees, and security, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013;

V. The Company has not accepted any deposits or amounts which are deemed to be deposits during the year and therefore, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable to the Company;

VI. We have broadly reviewed the cost records maintained by the Company as prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act and are of the opinion that prima facie the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;

VII.

(a) In our opinion, the company is generally regular in depositing undisputed statutory dues including Goods and Service tax, provident fund, employee state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues as applicable to the appropriate authorities. There were no undisputed amounts payable with respect to above statutory dues in arrears as at March 31, 2023 for a period of six months from the date they became payable;

(b) According to the information and explanations given to us and the records examined by us, no statutory dues including Goods and Service tax, employee state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues as applicable to the appropriate authorities as at March 31, 2023 which have not been deposited on account of a dispute except following:

Name of Stature	Nature of Dues	Amount (Rs. In lakhs)	Period to which the amounts relates	Forum where dispute
Employees Provident Fund Act, 1952	Provident Fund	83.35	F.Y 2015-2019	Central Government Industrial Tribunal Cum Labour Court.

VIII. (a) As disclosed in note no. 32.H(vii) to the accounts and as verified by us, there were no transactions which were not recorded in the books of account, have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;

IX. (a) The company has not defaulted on repayment of any loans or other borrowings or on payment of interest thereon.

(b) As disclosed in note no. 32.H(ix) to the accounts and as verified by us, the company is not declared as wilful defaulter by any bank or financial institution or other lender;

(c) Based on the procedures performed by us and according to the information and explanations given by the Management, the term loans taken by the company were applied for the purpose for which the loans were obtained;

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us, and the records examined by us, the company has no subsidiaries, associates or joint ventures. Accordingly, reporting under the clause 3 (ix) (e) and (f) is not applicable.

X. (a) In our opinion and according to the information and explanation given to us and as mentioned in note no. 35 to

the financial statements, the company has utilised the money raised by the way of initial public offer for the purposes for which they were raised.

(b) According to the information and explanations given to us and as mentioned in note no. 5 to the financial statement, the company has made preferential allotment of share warrants during the year. In respect of this allotment, we further report that –

- i) the requirement of section 42 and 62 of the Companies Act, 2013 as applicable, have been complied with; and
- ii) the amount raised during the year have been applied by the company for the purpose for which the funds were raised.

XI. (a) During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud on or by the Company noticed or reported during the year, nor we have been informed of any such case by the management.

(b) According to the information and explanations given to us, and based on our examination of the records no fraud on or by the Company noticed or reported during the course of audit. Accordingly reporting under this clause is not applicable;

(c) According to the information and explanations provided to us, no whistle-blower complaints has received during the year by the company.

XII. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;

XIII. In our opinion, all the transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards;

XIV. (a) In our opinion and the records examined by us, the company has an internal audit system commensurate with the size and nature of its business of the company;

(b) We have considered report of the internal auditors for the period under audit;

XV. According to the information and explanation given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with them. Hence, the provisions of Section 192 of the Act are not applicable;

XVI. (a) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

XVII. The company has not incurred cash losses in the financial year and in the immediately preceding financial year;

XVIII. There is no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) is not applicable;

XIX. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.;

XX. (a) According to the information and explanation given to us and based on our examination of the records, company is not required to transfer any unspent amount to a Fund specified in Schedule VII to the Companies Act within

period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act ;

(b) According to the information and explanation given to us and based on our examination of the records, company is not required to transfer any amount remaining unspent under section 135(5) of the companies act pursuant to any ongoing project, to special account in compliance with the provision of section 135(6) of the said Act.

XXI. According to the information and explanations provided by the management, the company has no subsidiary, associates or joint venture and the company is not required to prepare Consolidated Financial Statements as per the section 129 of the Companies Act. Accordingly reporting under clause 3(xxi) is not applicable to the Company.

For, C N K & Associates LLP

Chartered accountants

FRN: 101961W/W-100036

Alok B. Shah

Partner

Mem. No. 042005

Date: 22nd May, 2023

Place: Vadodara

UDIN: 23042005BGSRAGI653

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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 **KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED** (“the Company”) as of 31st March 2023 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. These responsibilities include the design, implementation and maintenance of internal financial controls with reference to financial statements of the company that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to financial statements of the company were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements of the company 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an internal financial controls with reference to financial statements of the company and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, 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.

For, C N K & Associates LLP

Chartered accountants

FRN: 101961W/W-100036

Alok B. Shah

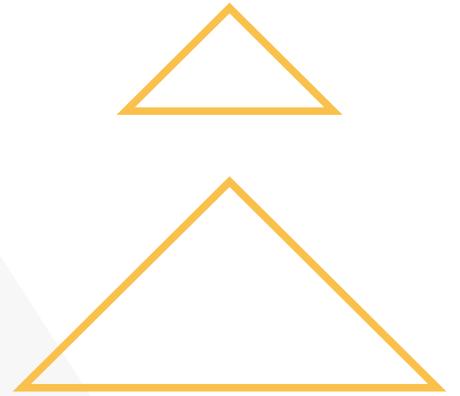
Partner

Mem. No. 042005

Date: 22nd May, 2023

Place: Vadodara

UDIN: 23042005BGSRAG1653



FINANCIAL REPORT



KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

CIN : U74900MH2013PLC248021

Balance Sheet as at 31st March, 2023

Rs. In Lakhs

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I. EQUITY AND LIABILITIES			
I Shareholders' funds			
(a) Share capital	3	1,144.80	840.00
(b) Reserves and surplus	4	2,521.88	1,234.97
(c) Money received against Share Warrants	5	420.00	-
		4,086.68	2,074.97
2 Share Application Money Pending Allotment	6	-	336.96
3 Non-current liabilities			
(a) Long-term borrowings	7	637.60	720.59
(b) Deferred tax liabilities (Net)	31E	23.11	30.06
(c) Long-term provisions	8	15.85	7.43
		676.56	758.07
4 Current liabilities			
(a) Short-term borrowings	9	1,214.37	1,587.89
(b) Trade payables	10		
(A) Total outstanding dues of Micro and small enterprises		219.74	151.48
(B) Total outstanding dues of creditors other than micro and small enterprises		2,037.98	1,248.15
(c) Other current liabilities	11	188.76	533.44
(d) Short-term provisions	12	44.09	90.43
		3,704.94	3,611.40
TOTAL		8,468.17	6,781.40
II. ASSETS			
I Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets	13		
(i) Property, Plant and Equipment		1,233.90	1,360.31
(ii) Capital work in progress		206.05	-
(b) Non-current investments	14	1.00	1.00
(c) Long-term loans and advances	15	35.67	8.38
(d) Other non-current assets	16	375.07	381.59
		1,851.69	1,751.27
2 Current assets			
(a) Inventories	17	2,844.74	1,571.24
(b) Trade receivables	18	2,688.44	2,186.67
(c) Cash and Bank Balance	19	790.75	1,154.66
(d) Short Term loans and advances	20	226.28	68.13
(e) Other current assets	21	66.28	49.43
		6,616.49	5,030.13
TOTAL		8,468.17	6,781.40
As per our report of even date For CNK & Associates LLP Chartered Accountants FRNo. : 101961W/W-109071W		For and on behalf of the Board of Directors	
	Ankur Ashwin Shah Managing Director DIN : 01166537 Place: Mumbai	Sandeep Ramrao Kadam Whole Time Director DIN : 06841164 Place: Vadodara	
Alok Shah Partner Mem no. 042005 Vadodara, 22nd May 2023	Charmy Shah Company Secretary Place: Vadodara	Piyush Harjibhai Patel Chief Financial Officer Place: Vadodara	Date: 22nd May, 2023

KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

CIN : U74900MH2013PLC248021

Statement of Profit and Loss for the Year ended on 31st March, 2023

Rs. In Lakhs

Particulars	Note No.	Year ended 31st March, 2023	Year ended 31 March, 2022
I. Revenue from operations	22	6,365.33	4,991.92
II. Other income	23	95.28	42.41
III. Total Income		6,460.61	5,034.34
IV. Expenses:			
Cost of materials consumed	24	1,803.65	1,526.73
Purchases of Stock-in-Trade	25	2,643.95	648.25
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	26	(1,130.94)	(57.74)
Employee benefit expenses	27	918.35	913.59
Finance costs	28	110.26	186.16
Depreciation and amortization expenses	13	196.81	167.56
Other expenses	29	1,245.36	1,297.93
Total expenses		5,787.44	4,682.48
V Profit before tax		673.17	351.86
VI Tax expense:			
Current tax		145.11	91.37
Tax of earlier years (Net)		5.42	5.63
Deferred tax Liability/(Asset)		(6.95)	8.96
VII Profit for the year (V-VI)		529.59	245.89
VIII Earnings per equity share:			
Basic	31(D)	4.63	2.93
Diluted		4.63	2.93

As per our report of even date

For CNK & Associates LLP

Chartered Accountants

FRNo. : 101961W/W-109071W

For and on behalf of the Board of Directors

Ankur Ashwin Shah

Managing Director

DIN : 01166537

Place: Mumbai

Sandeep Ramrao Kadam

Whole Time Director

DIN : 06841164

Place: Vadodara

Alok Shah

Partner

Mem no. 042005

Vadodara, 22nd May 2023

Charmy Shah

Company Secretary

Place: Vadodara

Piyush Harjibhai Patel

Chief Financial Officer

Place: Vadodara

Date: 22nd May, 2023

KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

CIN : U74900MH2013PLC248021

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

Rs. In Lakhs

	Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit before exceptional items, prior period items and tax:		673.17		351.86
	Adjustments for :				
	Depreciation /amortization	196.81		167.56	
	Amount no longer payable written back	(25.22)		-	
	Rent Income	(3.66)		(2.40)	
	Unrealised foreign exchange gain loss	(5.74)		-	
	Provision for doubtful debts and other deposits	13.28		-	
	Interest received	(51.38)		(39.85)	
	Bad Debts	-		28.75	
	Interest Expense	101.37		143.37	
			225.45		297.43
	Operating Profit before working capital changes		898.62		649.29
	Adjustments for:				
	(Increase)/Decrease in Loans and Advances	(185.44)		37.26	
(Increase)/Decrease in Trade receivables	(515.05)		(894.64)		
(Increase)/Decrease in Inventories	(1,273.50)		(43.22)		
(Increase)/Decrease in Other Non Current Assets	6.52		(293.43)		
(Increase)/Decrease in Other Current Assets	(16.85)		225.24		
Increase/(Decrease) in Trade Payable	889.05		726.72		
Increase/(Decrease) in Liabilities and Provisions	(391.91)		31.86		
		(1,487.19)		(210.23)	
Cash generated from Operations		(588.57)		439.06	
Less : Direct taxes paid (Net of refund, if any)		(141.23)		(44.45)	
Cash flow before extraordinary items		(729.80)		394.61	
Net cash from Operating Activities (A)		(729.80)		394.61	
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Property plant & Equipment's		(276.45)		(192.51)
	(Increase)/Decrease in Other bank balances		364.59		(203.43)
	Rent Received		3.66		2.40
	Interest received		51.38		39.85
Net Cash used in Investing Activities (B)		143.18		(353.69)	
C	CASH FLOW FROM FINANCIAL ACTIVITIES				
	Receipt on account of share application Money		-		336.96
	Proceeds from Issue of Share capital		725.16		-
	Proceed from issue of Share Warrants		420.00		-
	Repayment of Long Term Borrowings		(106.40)		(768.18)
	Increase/(Decrease) in Short term Borrowings		(350.10)		519.28
	Interest paid		(101.36)		(143.37)
	Net cash used Financing Activities (C)		587.30		(55.31)
Net increase in cash and cash equivalents (A+B+C)		0.68		(14.38)	
	Cash and cash equivalents at the beginning of the year		8.58		22.96
	Cash and cash equivalents at the end of the year		9.26		8.58
	Components of Cash & Cash Equivalents				
	Cash on hand		1.37		7.77
	Balance with schedule banks				
	In Current Account		7.89		0.81
	Cash and Cash Equivalents		9.26		8.58
Note:-					
I Figures in the brackets represents cash outflow.					
For and on behalf of the Board of Directors					
As per our report of even date					
For CNK & Associates LLP					
Chartered Accountants					
FRNo. : 101961W/W-109071W					
		Ankur Ashwin Shah		Sandeep Ramrao Kadam	
		Managing Director		Whole Time Director	
		DIN : 01166537		DIN : 06841164	
		Place: Mumbai		Place: Vadodara	
Alok Shah		Charmy Shah		Piyush Harjibhai Patel	
Partner		Company Secretary		Chief Financial Officer	
Mem no. 042005		Place: Vadodara		Place: Vadodara	
Vadodara, 22nd May 2023				Date: 22nd May, 2023	

1. Nature of Operation

Krishna Defence and Allied Industries Limited (formerly known as Krishna Allied Industries Limited) unlisted limited company, domiciled in India and incorporated on 10th September, 2013. Company is being incorporated as private limited company but converted into unlisted public limited company on 07th December 2021. Company is listed on the SME platform of National Stock Exchange i.e. NSE Emerge.

The company's main objects are to carry on in India or elsewhere the business of manufacturers, importers, exporters, dealers and traders of all types of steel materials, dairy equipments, kitchen equipments, Defence equipments etc.

2. Statement on Significant Accounting Policies

a) Basis of Preparation

Basis of accounting and preparation of financial statements:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Accounting Standard) Rules, 2021, the provisions of the Act (to the extent notified). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities. This is based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents.

b) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

c) Property , Plant and Equipment

(i) Tangible Fixed Assets

Lease hold is carried at historical cost less amortisation of lease charges over the tenure of lease agreement. All other items of property, plant and equipment are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation, and impairment loss, if any. Cost includes purchase price, including non-refundable duties and taxes, expenditure that is directly attributable to bring the assets to the location and condition necessary for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located, if any

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees, and for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policies. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Spare parts are treated as capital assets when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for, as separate items (major components) of property, plant and equipment. Any gains or losses on their disposal, determined by comparing sales proceeds with carrying amount, are recognised

in the Statement of Profit or Loss.

Subsequent expenditure:

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

De-Recognition:

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from its use. Any gain or loss arising from its de-recognition is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss when the asset is de-recognised.

Depreciation methods, estimated useful lives and residual value:

Depreciation on property, plant and equipment is provided using the written down value method based on the life and in the manner prescribed in Schedule II to the Companies Act, 2013, and is generally recognized in the statement of profit and loss. Cost of Lease hold is amortised over the tenure of lease agreement. Freehold land is not depreciated. In case where the cost of part of asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining assets, the useful life of that significant part has been determined separately.

Asset Group	Useful Life
Buildings	Factory Building - 30 years, Others-60 years
Plant and Equipment	10-20 years
Lab Equipments	10 years
Furniture and Fixtures	10 years
Vehicles	8 years
Office equipments	5 years
Computer Equipments	Server and Equipments-6 years, Others- 3 years
Electrical Installation	10 years

The depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Capital work in progress:

Capital work-in-progress is carried at cost, comprising direct cost and related incidental expenses.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under “Long Term Loans and advances” and the cost of assets not put to use before such date are disclosed under ‘Capital work-in-progress’.

(ii) Intangible assets:

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Amortisation of Intangible assets

The amortisation of an Intangible Assets is allocated on a systematic basis over the best estimate of its useful life of the Intangible asset

Asset Group	Useful Life
Intangible Assets	3 – 10 Years

d) Impairment

- i) At each Balance Sheet date, the company assesses whether there is any indication that an asset may be impaired. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- iii) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

e) Assets Held for Disposal

Items of Fixed assets that have been retired from active use and held for disposal are stated at the lower of their net book value or net realisable value.

f) Inventories

Inventories are measured at lower of cost and net realizable value. Cost of inventories is determined on a First in First Out (FIFO) (as mentioned below), after providing for obsolescence and other losses as considered necessary. Cost includes expenditure incurred in acquiring the inventories, conversion costs and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value. Items of Inventory are valued on the principle laid down by the AS 2 on Inventories:

(a)	Raw Materials	Lower of cost (determined on First In First Out Basis) and net realizable value.
(b)	Packing Material	Lower of cost (determined on FIFO basis) and net realizable value.
(c)	Finished Goods	Lower of cost (determined on FIFO basis) and net realizable value.
(d)	Work in progress	Lower of cost (determined on FIFO basis) and net realizable value.
(e)	Stores & spares	At cost
(f)	Scrap	At net realizable value

g) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non Current investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Non Current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of these investments.

Investment properties

Property, plant and Equipment not intended to be occupied substantially for use by, or in the operations, of the company are classified as Investment property. The said Investment property is accounted in accordance with Cost model prescribed in Accounting Standard 10- Property, Plant and Equipment and accordingly depreciated over the useful life of the asset

h) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer and to the extent there is reasonable certainty of its ultimate collection.

Interest

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Rent Income

Income is recorded on accrual basis per terms of agreement,

Other Income

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

i) Foreign Currency Transaction

Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

j) Operating Lease

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as Operating Leases. Operating lease payments are recognised as an expense in the statement of Profit and Loss on a straight line basis over the lease term.

k) Taxation

Tax expense comprises current and deferred taxes. Current income-taxes measured at the amount

expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of other items based on future sales projection of the company. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.

l) Employee Benefits

i. Short-term Employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, bonus, leave salary, allowances, etc are recognised as actual amounts due in period in which the employee renders the related services.

ii. Defined contribution plan

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

iii. Defined benefit Plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The scheme is funded by the policy from Life insurance corporation of India.

iv. Long term Employee benefits

The Company's long term benefits included leave encashment payable at the time of retirement subject to policy of maximum leave accumulation of company. The scheme is not funded. The Company has made provision based on actual liability.

m) Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly

paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Provisions and contingencies

Provisions are recognized when an enterprise has a present obligation as a result of past event for which 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. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the best current estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or the present obligations that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

p) Segment Reporting Policies

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers wherever required.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

q) Cash and Cash Equivalents

Cash and cash equivalents for the purposes of the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

r) Cash Flow Statement

Cash flows are reported using the Indirect Method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

CIN : U74900MH2013PLC248021

Notes forming part of the Financial Statements

NOTE No. 3 :SHARE CAPITAL

Note No- 3(i) Details of share capital

Rs. In Lakhs

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number of Shares	₹	Number of Shares	₹
Authorized				
Equity Shares of ₹10/- each with voting rights	1,50,00,000	1,500.00	1,20,00,000	1,200.00
Issued				
Equity Shares of ₹10/- each with voting rights	1,14,48,000	1,144.80	84,00,000	840.00
Subscribed & Paid up				
Equity Shares of ₹10/- each with voting rights	1,14,48,000	1,144.80	84,00,000	840.00
Total	1,14,48,000	1,144.80	84,00,000	840.00

Note No-3 (ii) Reconciliation of the Number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number of Shares	₹	Number of Shares	₹
Opening Balance	84,00,000	840.00	42,00,000	420.00
Add: Bonus share issued during the year	-	-	42,00,000	420.00
Add: Fresh Issue of equity shares	30,48,000	304.80	-	-
Closing Balance	1,14,48,000	1,144.80	84,00,000	840.00

Note No- 3(iii) Rights , preferences and restrictions attaching to each class of shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹10/- each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in the proportion to the number of equity share held by the shareholders.

Note No- 3(iv) Shares allotted as fully paid-up :

During the financial year ended March 22 ,the company has allotted 42,00,000 equity shares as fully paid up bonus share in the ratio of 1:1 (i.e. one bonus shares for every shares held) by capitalization of security premium account and free reserve of Rs. 420.00 lakhs/-

Note No- 3(v) Details of shares held by promoters

Promoters name	As at 31st March, 2023			As at 31st March, 2022		
	Number of shares held	% holding in that class of shares	% of Change during the period	Number of shares held	% holding in that class of shares	% of Change during the year
Ankur Shah	52,53,890	45.89%	-16.65%	52,53,890	62.55%	0.00%

Note No- 3(vi) Details of shares held by each shareholder holding more than 5 % shares :

Classes of Shares/Name of Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares with voting rights				
Ankur Shah	52,53,890	45.89%	52,53,890	62.55%
Krish Commodities Private Limited	5,88,000	5.14%	5,88,000	7.00%
Krish Industries Private Limited	8,40,000	7.34%	8,40,000	10.00%
Pallavi Shah	16,33,710	14.27%	16,33,710	19.45%

KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

CIN : U74900MH2013PLC248021

Notes forming part of the Financial Statements

NOTE NO. 4 : RESERVES AND SURPLUS

Rs. In lakhs

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
(a) Security Premium Account		
Opening Balance	-	25.00
Add: Received on issue of Equity shares during the year	883.92	-
Less : Utilised for meeting share issue expenses ((Refer below Note No (i))	126.60	-
Less:Utilised for Issue of Bonus Equity Shares during the year (Refer below Note No (ii))	-	25.00
Closing Balance	757.32	-
(b) Surplus		
Opening balance	1,234.97	1,384.08
Add : Surplus in statement of Profit and Loss	529.59	245.89
Less:Utilised for Issue of Bonus Equity Shares during the year (Refer below Note No (ii))	-	395.00
Closing Balance	1,764.55	1,234.97
Total (a)+(b)	2,521.88	1,234.97

Note No. - (i) Pursuant to Section 52 of the Companies Act , 2013 , Securities Premium account has been utilized against share issue expenses related to Issue management fees, brokerage fees ,professional fee and other expenses incurred amounting to Rs. 126.59 lakhs related to the public issue of shares of the company and listing of the Equity Shares of the company on NSE Emerge Exchange.

Note No- (ii) During the year ended on March 2022, the company has allotted 42,00,000 equity shares as fully paid-up bonus shares in the ratio of 1:1 (i.e. one Bonus shares for every share held) by capitalization of security premium account and free reserve of Rs. 420.00 Lakhs/-. As per Section 52 of the company Act, 2013, Company has utilized the security premium for issue of the bonus share to the extent security premium was available. Further, Rs. 395.00 Lakhs has been utilized from reserve and surplus.

NOTE NO. 5 : MONEY RECEIVED AGAINST SHARE WARRANT

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
Money received against share warrant	420.00	-
Total	420.00	-

Note: During the year , the company has issued and allotted on preferential basis, 12,00,000 No. of share warrants at price of Rs. 140/- each, convertible into or exchange for, one fully paid-up equity shares of the company having face value of Rs. 10/- at a premium of Rs. 130/- against every warrant held, in one or more tranches within a maximum period of 18 months from the date of allotment of warrants. Further, the company has received upfront premium of 25% of the warrant issue price i.e. Rs. 420.00 lakhs.

NOTE NO. 6 : SHARE APPLICATION MONEY PENDING ALLOTMENT

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
Share Application Money Pending Allotment(Refer note 6(i))	-	336.96
Total	-	336.96

Note 6(i): Share application money pending allotment

Number of shares proposed to be issued having face value of Rs.10 Each/-	-	10,26,000
The amount received towards face value of Rs. 10/- per share (Refer Note No. (i))	-	102.60
The amount received towards security premium of Rs. 29/- per share	-	297.54
Less: Excess amount to be refunded classified as other current liabilities (Amount refunded on 04th April, 2022)	-	63.18
Balance shown as Share application money pending allotment	-	336.96

Note: (i) In pursuance to the applications received the company filed Prospectus dated 31st March, 2022 with ROC, NSE and SEBI for 30,48,000 equity shares having face value of Rs. 10 each at the premium of Rs. 29 per share with the issue size of Rs. 1,188.72 Lakhs and allotted shares to the successful applicants on 01st April, 2022.

KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

CIN : U74900MH2013PLC248021

Notes forming part of the Financial Statements

NOTE NO. 7 : LONG TERM BORROWINGS

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
(a) Term Loans (Refer note 7(i))		
- Secured		
(i) From Banks	155.82	262.22
Total	155.82	262.22
Less: Current Maturities of long - term debts	68.22	91.63
	87.60	170.59
(b) Loans from directors (unsecured) (Refer note 7(ii))	550.00	550.00
Total	637.60	720.59

Note No-7 (i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
(i) Axis Bank Term Loan - 1	-	22.64
(ii) Axis Bank - ECLGS Term loan - 2	69.33	126.55
(The above loans are secured by way of first charge on entire present and future movable fixed asset of the company The above facilities are also secured by way of charge on entire present and future current asset of the company. The above facilities are further secured by way of equitable mortgage on shed no. 121/8, 121/9, 121/20 to 22 and Shed no. 121/23 & 121/24 situated at Kalol, equitable mortgage on property situated at Flat no. B-302, Shivam Residency Tower, Opp. Urmi School, B/h Gangotri Party Plot, Samasavli Road, Vadodara - 390 002 which is owned by the director and lien on fixed deposits of Rs. 462.00 lakhs. The facility is further secured by way of personal guarantee of the Managing Director. Interest rate is 8.90% linked to repo rate (i.e.5.90%+3%).		
TL -1 Loan principal amount is repayable in 60 Equal Monthly Instalment of Rs. 3.00 Lakhs after the end of moratorium period of 6 months).		
TL-2 Loan principal amount is repayable in 36 Equal Monthly Instalment of Rs. 4.33 Lakhs after the end of moratorium period of 12 months)		
(iii) Standard Chartered Bank - office Loan	-	113.04
(Loan was secured by of mortgage of office situated at Unit No. 344, 3rd Floor, A to z industrial premises CSLA to Z industrial Estate, Ganpatrao kadam Marg, Near Peninsula Corporate Park, Lower Parel (West), Mumbai-400013. Interest rate is at 0.3% above MCLR Rate. Present MCLR rate is 8.70%.Loan is repayable in 120 Equal Monthly Instalment of Rs. 1.89 Lakhs)		
(iv) Punjab National Bank - office Loan	86.49	-
(Loan is secured by of mortgage of office owned by company situated at Unit No. 344, 3rd Floor, A to Z industrial Estate, Ganpatrao kadam Marg, Near Peninsula Corporate Park, Lower Parel (West), Mumbai-400013 and is collaterally secured by way of paripassu charge on immovable properties mortgaged with Axis Bank Limited, Fixed deposit of Rs. 113.50 Lakhs and personal guarantee of managing director . Interest rate is 6.95% i.e. Repo rate 4% +2.95. Loan principal amount is repayable in 74 Equal Monthly Instalment of Rs. 1.35 Lakhs.		
Total	155.82	262.22

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Notes forming part of the Financial Statements

Note No-7 (ii) Details of terms of interest of loan from director

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
Non - Interest bearing loan (Above loans are taken as per bank stipulation)	550.00	550.00
	550.00	550.00

NOTE NO. 8 : LONG TERM PROVISIONS

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
(a) Provision for employee benefits		
(i) Provision for Compensated absences	15.85	7.43
Total	15.85	7.43

NOTE NO. 9 SHORT TERM BORROWINGS

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
(a) Current Maturities of long-term debt: (Refer below note i & ii)	68.22	91.63
(b) Loans repayable on demand		
- Secured		
(i) From Banks (refer below note (iii))	900.75	780.60
(c) Loans from directors (unsecured) (refer below note (iv))	245.40	567.26
(d) Inter corporate Deposits (Unsecured) (refer below note (v))	-	148.40
Total	1,214.37	1,587.89

Note:

(i) For details of security, Interest rate and repayment terms refer Note No.7 (i)

(ii) Current Maturities of long-term debt

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
Secured - Term Loan		
- From Axis Bank Term Loan - 1	-	22.64
- From Axis Bank ECLGS Term loan - 2	52.00	52.00
- From Punjab National Bank	16.22	-
- From Standard Chartered Bank	-	17.00
	68.22	91.63

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(iii) Loan repayable on demand

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
Cash Credit		
- From Axis Bank	625.17	780.60
- From Punjab National Bank	275.59	-
	900.76	780.60

Axis Bank: The above facility is secured by way of first charge on entire present and future current asset of the company. The above facility is further secured by way of equitable mortgage on shed no. 121/8, 121/9, 121/20 to 22 and Shed no. 121/23 & 121/24 situated at Kalol. The facility is further secured by way of equitable mortgage on property situated at Flat no. B-302, Shivam Residency Tower, Opp. Urmi School, B/h Gangotri Party Plot, Samasavli Road, Vadodara - 390 002 which is owned by the director. The facility is further secured by way of lien on fixed deposits of Rs. 462.00 Lakhs. The facility is further secured by way of personal guarantee of the Managing director. Interest rate is 8.90% linked to repo rate (i.e. 5.90%+3%).

Punjab National Bank: The above facility is primarily secured by way of pari passu charge on entire stock and book debts of the company and is collaterally secured by way of pari passu charge on immovable properties mortgaged with Axis Bank Limited. Further, the loan is collaterally secured by way of exclusive charge on office owned by the company situated at Unit No. 344, 3rd Floor, A to Z industrial Estate, Ganpatrao kadam Marg, Near Peninsula Corporate Park, Lower Parel (West), Mumbai-400013, Fixed deposit of Rs. 113.50 Lakhs and personal guarantee of managing director. Interest rate is 9.60% i.e. Repo rate 6.50% +3.10%

(iv) Details of terms of interest of loan from director

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
Non - Interest bearing loan	245.40	567.26
	245.40	567.26

(v) Details of terms of interest of loan from Corporates

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
Unsecured Inter corporate Deposits:		
(i) Jaisons Realty (Asia) LLP (formaly known as Jaison Realty Asia Ltd.) (Interest on loan is 8.00%)	-	69.69
(ii) Stock Guardian India Private Limited (Interest on loan is 8.00%)	-	70.00
(iii) Anju Securities Pvt Ltd. (Interest on loan is 8.00%)	-	8.70
	-	148.39

NOTE NO. 10 TRADE PAYABLES

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
(i) Trade payables [Refer note no. 32(A) & 32(C)]		
- Total outstanding dues of Micro and small enterprises	219.74	151.48
- Total outstanding dues of Trade payables other than Micro and small enterprises	2,037.98	1,248.15
Total	2,257.72	1,399.63

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NOTE NO 11 : OTHER CURRENT LIABILITIES

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
Interest accrued on borrowings	-	1.69
Other payables		
(i) Salary & Wages Payable	55.47	91.77
(ii) Statutory dues payable	10.17	12.73
(iii) Tax Deducted at Source payable	12.06	15.11
(iv) Advances From Customers	93.83	316.65
(v) Security Deposits from dealers	0.25	0.25
(vi) Share Application money to be refunded(Refer note no. 6(i))	-	63.18
(vii) Other Payables	16.98	32.07
Total	188.76	533.44

NOTE NO. 12 : SHORT TERM PROVISIONS

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
(a) Provision for employee benefits		
(i) Provision for Compensated absences	-	5.73
(ii) Provision for Bonus	26.86	21.51
(b) Provisions- Others		
(i) Provision for Warranties[Refer Note No- 34]	7.92	14.80
(ii) Provision for Income tax (Net of Taxes paid in advance)	9.31	48.39
Total	44.09	90.43

NOTE NO. 14 : NON CURRENT INVESTMENTS

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
(a) Investment in Mutual Fund - Unquoted		
(a) Investment in units of UTI (At cost) (C.Y. 6,204.629 Units, P.Y. 6,204.629 Units)	1.00	1.00
Total	1.00	1.00
Aggregate cost of investment in Mutual Funds	1.00	1.00
Aggregate market value/(re-purchase price) of investment in Mutual Funds	0.90	0.86

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Notes forming part of the Financial Statements

NOTE NO. 15 : LONG TERM LOANS AND ADVANCES

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
Unsecured, considered good		
(a) Capital Advance	28.44	-
(b) Prepaid Expenses	7.24	8.38
Total	35.67	8.38

NOTE NO. 16 : OTHER NON CURRENT ASSETS

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
Unsecured, considered good		
(a) Security Deposits	87.39	94.26
Less: Provisions	3.09	-
	84.30	94.26
(B) Other Balances: (Refer below note (i))		
(i) Bank Balances held as margin money against Guarantees	157.84	163.50
(ii) Fixed Deposit with Bank	132.93	123.83
Total	375.07	381.59

(i) Bank deposit having maturity of more than 12 months.

NOTE NO. 17 : INVENTORIES

(At lower of cost and net realizable value)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
(a) Raw Materials	186.97	84.52
(b) Work-in-progress	2,518.52	1,389.65
(c) Finished goods (other than those acquired for trading)	1.21	1.21
(d) Stock-in-trade	49.01	18.98
(e) Stores, Spares and fuel	74.68	34.58
(f) Scrap	14.35	42.30
Total	2,844.74	1,571.24

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Notes forming part of the Financial Statements

NOTE NO. 18 : TRADE RECEIVABLES

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
Unsecured, considered good [Refer note no. 32(D)]		
Trade receivables	2,698.63	2,186.67
Less: Provision for doubtful debt	10.19	-
Total	2,688.44	2,186.67

NOTE NO. 19 : CASH AND BANK BALANCES

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
(A) Cash and Cash Equivalents		
(a) Cash on hand	1.37	7.77
(b) Balances with Banks in current accounts		
- In current accounts	7.89	0.81
	9.26	8.58
(B) Other Balances (Refer below note (i))		
(i) Bank Balances held as margin money against Guarantees	172.23	178.41
(ii) Fixed Deposit with Bank (Refer below note (ii))	609.25	567.54
(iii) Earmarked bank balances (Refer below note (iii))	-	400.14
	781.48	1,146.08
Total	790.75	1,154.66

(i) Bank deposits having maturity of less than 12 months.

(ii) The above Fixed deposits is given as collateral security to the banks against the Fund based, Non fund based working capital limits and term loans availed from the Banks.

(iii) The above Earmarked bank balance is related to share application money received on account of Initial Public Offer.

NOTE NO. 20 : SHORT TERM LOAN AND ADVANCES

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
Unsecured, considered good		
(a) Advances for Expense - Employee	2.32	1.99
(b) Loan to employee	8.74	6.52
(c) Prepaid Expense	40.68	16.60
(d) Balances with government authorities		
(i) GST Credit Receivable	173.28	41.27
(e) TDS receivable from Financial Institution	1.26	1.75
Total	226.28	68.13

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Notes forming part of the Financial Statements

NOTE NO. 21 : OTHER CURRENT ASSETS

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	₹	₹
(a) Advance to Suppliers and others	62.57	39.01
(b) Gratuity Fund [Refer Note No- 31 (A)]	3.71	10.42
Total	66.28	49.43

NOTE NO. 22 : REVENUE FROM OPERATIONS

Particulars	Year ended	Year ended
	31st March, 2023	31 March, 2022
	₹	₹
(a) Sale of products(Refer note 22(i))	6,225.96	4,681.05
(b) Other Operating revenue(Refer note 22(ii))	139.38	310.87
Total	6,365.33	4,991.92

Note No. 22 (i) Sale of Products comprises of

Particulars	Year ended	Year ended
	31st March, 2023	31 March, 2022
	₹	₹
Sale of manufactured goods		
Defence Product	2,903.52	3,380.46
Dairy & Kitchen Equipment	610.77	633.72
	3,514.29	4,014.18
Sale of Traded goods		
Defence Product	2,266.16	18.24
Dairy & Kitchen Equipment	445.50	648.63
	2,711.67	666.87
Total Sale of Products	6,225.96	4,681.05

Note No. 22(ii) Other Operating Revenue comprises of

Particulars	Year ended	Year ended
	31st March, 2023	31 March, 2022
	₹	₹
(i) Job Work Income	-	0.17
(ii) Scrap Sales	139.38	310.71
Total - Other operating revenues	139.38	310.87

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Notes forming part of the Financial Statements

NOTE NO. 23 : OTHER INCOME

Particulars	Year ended 31st March, 2023	Year ended 31 March, 2022
	₹	₹
(a) Interest Income (Refer Note 23(i))	51.38	39.85
(b) Rental Income	3.66	2.40
(c) Net gain on foreign currency transactions	14.99	-
(d) Misc. Income	0.03	0.16
(e) Amount no longer payable written back	25.22	-
Total	95.28	42.41

Note No. 23 (i) Interest Income comprises of

Particulars	Year ended 31st March, 2023	Year ended 31 March, 2022
	₹	₹
(i) Interest from Bank on: Fixed Deposits	51.38	39.85
Total - Interest income	51.38	39.85

NOTE NO. 24 : COST OF MATERIALS CONSUMED

Particulars	Year ended 31st March, 2023	Year ended 31 March, 2022
	₹	₹
Raw Materials Consumption		
Opening Stock	84.52	108.02
Add: Purchases	1,906.11	1,503.23
	1,990.63	1,611.25
Less: Closing stock	186.97	84.52
Cost of Material consumed	1,803.65	1,526.73
Total	1,803.65	1,526.73

NOTE NO. 25 PURCHASE OF TRADED GOODS

Particulars	Year ended 31st March, 2023	Year ended 31 March, 2022
	₹	₹
Purchase of traded goods	2,643.95	648.25
Total	2,643.95	648.25

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Notes forming part of the Financial Statements

NOTE NO. 26 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	Year ended	Year ended
	31st March, 2023	31 March, 2022
	₹	₹
(a) Inventories at the beginning of the year:		
Finished Goods	1.21	1.21
Work in Progress	1,389.65	1,351.43
Stock in Trade	18.98	18.44
Scrap	42.30	23.32
	1,452.14	1,394.40
(b) Inventories at the end of the year:		
Finished Goods	1.21	1.21
Work in Progress	2,518.52	1,389.65
Stock in Trade	49.01	18.98
Scrap	14.35	42.30
	2,583.09	1,452.14
Net Change in Inventories	(1,130.94)	(57.74)

NOTE NO. 27 : EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended	Year ended
	31st March, 2023	31 March, 2022
	₹	₹
(a) Salaries, wages, bonus etc.	763.94	711.32
(b) Remuneration to directors	89.87	152.40
(c) Contributions to Provident and other funds	46.75	36.54
(d) Staff welfare expenses	17.79	13.32
Total	918.35	913.59

NOTE NO. 28 : FINANCE COSTS

Particulars	Year ended	Year ended
	31st March, 2023	31 March, 2022
	₹	₹
(i) Interest expense		
(a) on borrowings	101.36	143.37
(ii) Other borrowing costs	8.20	42.77
(iii) Interest on statutory Dues	0.69	0.02
Total	110.26	186.16

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Notes forming part of the Financial Statements

NOTE NO. 29 : OTHER EXPENSES

Particulars	Year ended	Year ended
	31st March, 2023	31 March, 2022
	₹	₹
Store & Spares Consumed	159.95	168.55
Job Work & Labour Changes	270.00	363.16
Power & Fuel Expenses	176.22	152.01
Repairs & Maintenance - Plant & Machinery	6.67	4.22
- Building	3.92	6.68
- Others	8.82	6.60
Laboratory and Testing Expenses	32.63	16.53
Travelling and Conveyance	104.56	76.93
Legal & Professional Charges	48.07	41.27
Rates & Taxes	0.94	1.40
Rent Expenses (Refer Note No. 31C)	43.68	38.43
Security Expenses	18.42	17.75
Vehicle Expenses	17.37	13.64
Insurance Expenses	7.86	10.53
Donation Expenses	1.75	1.77
Factory Expenses	2.72	4.86
Installation charges	11.98	20.59
Freight & Forwarding charges	38.51	52.72
Net loss on foreign currency transactions	-	0.96
Telephone & Internet Expenses	7.38	6.64
Bad Debts	-	28.75
Provision for doubtful debt & other deposits	13.28	-
Payment to Auditors		
a. Statutory Audit	2.00	2.11
b. Other certification services	1.72	3.51
Selling & Distribution Expenses		
a. Commission on sales	14.85	7.93
b. Advertisement	10.98	9.22
c. Freight and Other Expenses	83.21	110.30
d. Discount, Sales Promotion and samples	30.96	39.85
e. Late Delivery Charges	55.61	9.90
Bank Charges & Commission	16.35	25.70
Warranty Expenses	1.47	-
Miscellaneous Expenses	53.49	55.42
Total	1,245.36	1,297.93

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Notes forming part of the Financial Statements

Rs. In Lakhs

NOTE NO. 13(a) : Property, Plant and Equipment

Fixed Assets	Gross Block				Accumulated Depreciation			Net Block	
	Balance as at 1 April 2022	Additions	Disposals/ transfers	Balance as at 31 March 2023	Balance as at 1 April 2022	Depreciation / amortization expense for the year	Eliminated on disposal of assets	Balance as at 31 March 2023	Balance as at 31 March 2022
(i) Tangible Assets (Owned)	₹	₹	₹	₹	₹	₹	₹	₹	₹
(a) Land	153.94	-	-	153.94	-	-	-	153.94	153.94
Freehold	153.94	-	-	153.94	-	-	-	153.94	153.94
(b) Buildings	362.40	-	-	362.40	204.77	17.12	-	140.51	157.63
- Factory Building	230.54	-	-	230.54	39.20	9.32	-	182.02	191.34
- Office Premises	131.86	-	-	131.86	165.57	7.80	-	158.02	166.29
(c) Plant and Equipment	1,453.51	60.49	-	1,513.99	646.99	152.31	-	799.31	806.51
(d) Furniture and Fixtures	87.17	2.03	-	89.20	56.81	7.99	-	64.80	30.36
(e) Motor Vehicles	52.18	-	-	52.18	44.94	2.32	-	47.26	4.93
(f) Laboratory Equipments	0.90	-	-	0.90	0.90	-	-	0.90	-
(g) Office equipment's	42.81	5.19	-	48.00	35.24	4.19	-	39.43	8.58
(h) Computer Equipments	32.47	2.69	-	35.16	26.77	3.56	-	30.33	4.84
Total	2,415.93	70.40	-	2,486.32	1,055.61	196.81	-	1,252.42	1,233.90
Previous Year	1,884.18	531.74	-	2,415.93	888.06	167.56	-	1,055.61	1,360.31
(ii) Capital Work in Process									
(a) Capital Work in Progress	-	206.05	-	206.05	-	-	-	-	-
Total	-	206.05	-	206.05	-	-	-	-	-
Previous Year	339.23	141.49	480.72	-	-	-	-	-	339.23

Capital Work in Process

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Year	
As at 31 March 2023	206.05	-	-	-	206.05
Projects in progress	-	-	-	-	-
As at 31 March 2022	-	-	-	-	-
Projects in progress	-	-	-	-	-

Note: There are no Projects whose completion is overdue or has exceeded its cost.

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Notes forming part of the Financial Statements

Rs. In Lakhs

NOTE NO. 13(a) : Property, Plant and Equipment

	Fixed Assets	Gross Block				Accumulated Depreciation			Net Block		
		Balance as at 1 April 2021	Additions	Disposals/transfers	Balance as at 31 March 2022	Balance as at 1 April 2021	Depreciation / amortization expense for the year	Eliminated on disposal of assets	Balance as at 31 March 2022	Balance as at 31 March 2021	
(i)	Tangible Assets (Owned)	₹	₹	₹	₹	₹	₹	₹			
	(a) Land Freehold	153.94	-	-	153.94	-	-	-	153.94	153.94	
	(b) Buildings - Factory Building - Office Premises	355.05 230.54	7.35 -	- -	362.40 230.54	186.51 29.53	18.26 9.67	- -	204.77 39.20	157.63 191.34	168.54 201.01
	(c) Plant and Equipment	936.88	516.62	-	1,453.51	526.08	120.91	-	646.99	806.51	410.80
	(d) Furniture and Fixtures	86.37	0.80	-	87.17	47.36	9.44	-	56.81	30.36	39.01
	(e) Motor Vehicles	52.18	-	-	52.18	42.96	1.98	-	44.94	7.24	9.22
	(f) Laboratory Equipment's	0.90	-	-	0.90	0.89	0.01	-	0.90	-	0.01
	(g) Office equipment's	38.95	3.86	-	42.81	31.19	4.04	-	35.24	7.57	7.75
	(h) Computer Equipment's	29.36	3.11	-	32.47	23.52	3.25	-	26.77	5.71	5.84
	Total	1,884.18	531.74	-	2,415.93	888.06	167.56	-	1,055.61	1,360.31	996.13
	Previous Year	1,786.08	98.10	-	1,884.18	748.41	139.65	-	888.06	996.13	1,037.68
(ii)	Capital Work in Progress										
	(a) Capital Work in Progress	339.23	141.49	480.72	-	-	-	-	-	-	339.23
	Total	339.23	141.49	480.72	-	-	-	-	-	-	339.23
	Previous Year	161.10	178.13	-	339.23	-	-	-	-	339.23	161.10

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Additional Information to The financial statements:-

Rs. In Lakhs

NOTE NO. 30 Other Disclosures as per Schedule-III of the Companies Act, 2013

30.A Contingent Liabilities & Commitments

Particulars	As at 31st March, 2023	As at 31st March, 2022
	₹	₹
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt:		
(i) on account of Liquidated damages levied on the company	185.46	185.46
(ii) Disputed with Provident Fund Authorities	83.35	-
(iii) - Labour Laws - Claims from Employees / Contractual Personnel including ex-employees	Amount not ascertainable	Amount not ascertainable
(b) Bank Guarantees issued by bank on behalf of Company for which company has issued counter guarantee	1,173.69	1,404.05
(c) On account of other contingent claims	4.63	77.84
	1,447.13	1,667.35
(ii) Commitments		
(a) Estimated amount of Contracts to be executed on capital account and not provided for net of capital advance	28.44	8.50

30.B Value of imports calculated on C.I.F basis by the company during the financial year in respect of

Particulars	Year ended 31st March, 2023	Year ended 31 March, 2022
	₹	₹
(a) Raw materials/ Traded Goods	360.97	8.30

30.C Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest, and other matters;

Particulars	Year ended 31st March, 2023	Year ended 31 March, 2022
	₹	₹
(a) Travelling Expenses	26.93	17.44

30.D Total value of all imported and Indigenous raw materials, spare parts and components consumed during the financial year and the total value of all raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption;

Details of consumption of Raw Material *	Year ended 31st March, 2023	Year ended 31 March, 2022
	₹	₹
(i) Imported Raw materials	14.95 0.83%	8.30 0.54%
(ii) Indigenous Raw materials	1,788.70 99.17%	1,518.43 99.46%

(*) Note 1: The stores and spares consumed are 100% indigenous.

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Additional Information to The financial statements:-

Rs. In Lakhs

30.E Earnings in foreign exchange

	Particulars	Year ended 31st March, 2023	Year ended 31 March, 2022
		₹	₹
(a)	Export of goods calculated on FOB basis	9.83	23.24

30.F Amounts remitted in foreign currency during the year on account of dividend

	Particulars	Year ended 31st March, 2023	Year ended 31 March, 2022
		₹	₹
(a)	Amount of dividend remitted in foreign currency	Nil	Nil

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NOTE NO. 31 Disclosures under Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Company's (Accounts) Rules 2014. (as amended)

31.A Disclosures under Accounting Standard - 15 (Employee Benefits)

Accounting Standard 15 on 'Employee Benefits' as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standard) Rules, 2021.

(a) Defined Contribution Plans:

The Company makes Provident Fund and contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The company has recognized the following amounts in the Statement of Profit and Loss for the year.

Particulars	Year ended 31st March, 2023	Year ended 31 March, 2022
	₹	₹
Contribution to Provident Fund	38.57	33.78
Contribution to ESIC	8.11	7.24

(b) Defined Benefit Plans:

The Company has policy of giving gratuity to its employees who complete period of qualifying service which is 5 years.

The company's plan assets in respect of Gratuity are funded through the Group Scheme of Life Insurance Corporation of India. The scheme provides for payment to vested employees as under:

- On normal retirement / early retirement / withdrawal / resignation: As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- On death in service: As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

Valuation Method:	Projected Unit Credit (PUC) method
Discount Rate	6.55 % (Previous Year 6.25%)
Salary Escalation	7% (Previous Year 7%)
Mortality Rate	Indian Assured Lives Mortality (2012-14) Table
Withdrawal Rate	1 % to 20 % depending on age

Funded status of the plan

Particulars	2022-23	2021-22
	₹	₹
Present value of funded obligations	98.29	94.27
Fair value of plan assets	(102.00)	(104.69)
Net Liability (Asset)	(3.71)	(10.42)

Profit and loss account for the period

Particulars	2022-23	2021-22
	₹	₹
Current service cost	10.72	10.12
Interest on obligation	6.11	5.31
Expected return on plan assets	(7.21)	(5.78)
Net actuarial loss/(gain)	(1.71)	(10.20)
Total included in 'Employee Benefit Expense'	7.91	(0.55)

Particulars	2022-23	2021-22
	₹	₹
Loss/(gain) on obligation	(2.01)	(3.69)
Loss/(gain) on assets	0.31	(6.50)
Net actuarial loss/(gain)	(1.71)	(10.20)

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Reconciliation of defined benefit obligation

Particulars	2022-23	2021-22
	₹	₹
Opening Defined Benefit Obligation	94.27	84.46
Transfer in/(out) obligation	-	-
Current service cost	10.72	10.12
Interest cost	6.11	5.31
Actuarial loss (gain)	(2.01)	(3.69)
Benefit paid from fund	(10.79)	(1.92)
Closing Defined Benefit Obligation	98.29	94.27

Reconciliation of plan assets

Particulars	2022-23	2021-22
	₹	₹
Opening value of plan assets	104.69	81.04
Transfer in/(out) obligation	-	12.60
Expected return	7.21	5.78
Actuarial gain/(loss)	(0.31)	6.50
Contributions by employer	1.20	0.69
Benefits paid	(10.79)	(1.92)
Closing value of plan assets	102.00	104.69

Composition of the plan assets

Reconciliation of plan assets		
Particulars	2022-23	2021-22
	₹	₹
Policy of insurance	100%	100%

Reconciliation of net defined benefit liability

Particulars	2022-23	2021-22
	₹	₹
Net opening provision in books of accounts	(10.42)	3.43
Transfer in/(out) obligation	-	-
Transfer (in)/out obligation	-	(12.60)
Employee Benefit Expense	7.91	(0.55)
	(2.51)	(9.73)
Contributions to plan assets	(1.20)	(0.69)
Closing provision in books of accounts	(3.71)	(10.42)

Principle actuarial assumptions

Particulars	2022-23	2021-22
	₹	₹
Discount Rate	7.45% p.a	6.90% p.a
Expected Return on Plan Assets	7.45% p.a	6.90% p.a
Salary Growth Rate	7.00% p.a	7.00% p.a
Withdrawal Rates	20.00% p.a at younger ages reducing to 1.00% p.a at older ages	20.00% p.a at younger ages reducing to 1.00% p.a at older ages

Table of experience adjustments

Particulars	2022-23	2021-22
	₹	₹
Defined Benefit Obligation	98.29	94.27
Plan Assets	102.00	104.69
Surplus/(Deficit)	3.71	10.42
Experience adjustments on plan liabilities	2.31	(1.07)
Actuarial loss/(gain) due to change in financial assumptions	(4.33)	(2.63)
Actuarial loss/ (gain) due to change in demographic assumption	-	-
Experience adjustments on plan assets	0.31	(6.50)
Net actuarial loss/ (gain) for the year	(1.71)	(10.20)

(c) Other Long term benefits:

The company's longterm benefits includes leave encashment at the time of retirement subject to policy of maximum leave accumulation of company. The scheme is not funded. The company has made provision based on actual liability.

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31.B Disclosures under Accounting Standard -18 (Related Party Disclosures)

Particulars	
Related party transactions	
Details of related parties:	
Description of relationship	Names of related parties
Key Management Personnel (KMP)	(a) Mr. Ankur Ashwin Shah, Managing Director (b) Mr. Sandeep Ramrao Kadam, Whole time Director (c) Mr. Suvendu Banerjee, Whole time Director (upto 27th May 2022) (d) Mr. Vasant Modak (Up to 23rd August, 2021) (e) Mrs. Preyal Ankur Shah, Non-Executive Director (Up to 14th December, 2021) (f) Mrs. Preyal Ankur Shah, Non-Executive Director and Chairperson (w.e.f. 11th January, 2022) (g) Mr. Jaykumar Toshniwal, Independent Director (w.e.f. 23rd August, 2021) (h) Mr. Divyakant Ramniklal Zaveri, Independent Director (w.e.f. 23rd August, 2021) (i) Ms. Charmy Shah, Company Secretary (w.e.f. 22nd October, 2021) (j) Mr. Piyush Harjibhai Patel, Chief Financial Officer (w.e.f. 23rd August, 2021)
Relatives of KMP	(a) Mrs. Amisha Savjani (b) Mr. Chetan Dharja (c) Mrs. Sarojini Kadam (d) Mrs. Rakhi Banerjee (e) Mrs. Foram Patel
Enterprise in which KMP / Relatives of KMP or Directors can exercise significant influence	(a) Krish Industries Private Limited (b) Krish Commodities Private Limited (c) Hindustan Cables & Wires (d) White Gold Technologies LLP (e) Ankur A Shah (HUF) (f) Ashwin N Shah (HUF) (g) Shah Engineering (Proprietor Ashwin N Shah (HUF)) (h) Shah Innovators (Proprietor Ankur A Shah (HUF))

Note: Related parties have been identified by the Management.

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Details of related party transactions and balances outstanding

I. Details of related party transaction during the year:

Particulars	Year ended	Year ended
	31st March, 2023	31 March, 2022
	₹	₹
Remuneration to Directors & Key Managerial Personnel		
Ankur Ashwin Shah	60.00	120.00
Sandeep Kadam	27.76	18.15
Suvendu Banerjee	2.11	14.26
Piyush Patel	21.45	8.84
Charmy Shah	5.77	2.10
Director Sitting fees		
Divyakant Zaveri	2.20	1.60
Preyal Shah	1.05	0.93
Jaykumar Toshniwal	2.08	0.93
Professional charges to Key Managerial Personnel		
Vasant Modak	1.80	0.90
Salary to Relatives of Directors and Key Managerial Personnel		
Chetan Dharja	-	4.80
Sarojini Kadam	-	6.62
Rakhi Banerjee	-	4.80
Foram Patel	-	1.37
Loan Taken		
Ankur Ashwin Shah	425.69	829.03
Pallavi Ashwin Shah	-	34.53
Preyal Ankur Shah	-	28.53
Krish Commodities Private Limited	-	31.85
Ankur A Shah (HUF)	-	13.86
Ashwin N Shah (HUF)	-	9.49
Loan Repaid		
Ankur Ashwin Shah	747.55	267.51
Pallavi Ashwin Shah	-	139.88
Preyal Ankur Shah	-	68.28
Krish Commodities Private Limited	0.46	-
Ankur A Shah (HUF)	-	155.34
Ashwin N Shah (HUF)	-	195.43
Interest on unsecured loan		
Ashwin N Shah (HUF)	-	10.54
Ankur A Shah (HUF)	-	9.29
Pallavi Ashwin Shah	-	9.03
Preyal Ankur Shah	-	2.63
Purchase		
Krish Industries Pvt Ltd	233.95	516.70
White Gold Technologies LLP	2.37	4.65
Sales		
Krish Industries Pvt Ltd	4.45	0.05
White Gold Technologies LLP	12.69	58.02

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Rent Expenses		
Krish Industries Pvt Ltd	28.80	27.60
Rent Income		
White Gold Technologies LLP	3.66	2.40
Reimbursement of Electricity expenses		
Krish Industries Pvt Ltd	89.54	60.80
Upfront premium received against Convertible Equity Warrants issued during the year		
Pallavi Ashwin Shah	88.20	-
Preyal Ankur Shah	35.70	-

2. Details of related party balances outstanding during the year:

Particulars	As at 31st March, 2023	As at 31st March, 2022
	₹	₹
Remuneration Payable		
Ankur Ashwin Shah	2.86	20.71
Sandeep Kadam	1.42	2.55
Suvendu Banerjee	-	2.08
Piyush Patel	1.30	1.76
Charmy Shah	0.43	0.75
Salary Payable		
Chetan Dharia	-	0.80
Amount Payable		
Ankur Ashwin Shah	795.40	1,117.26
Krish Commodities Private Limited	31.39	31.85
Krish Industries Pvt Ltd	152.49	190.75
Hindustan Cables & Wires	-	0.53
Vasant Modak	0.14	-
Amount Receivable		
White Gold Technologies LLP	14.87	-
Deposits		
Krish Industries Pvt Ltd - Rent Deposit	10.00	10.00
Hindustan Cables & Wires - Rent Deposit	-	0.51

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31.C Disclosures under Accounting Standard-19 (Leases)

Company as a Lessee

The Company's significant leasing arrangement are primarily in respect of operating leases for factory where the lease is cancellable by either of the party. The aggregate lease rentals paid during the year are as under:

Particulars	As at 31st March, 2023	As at 31st March, 2022
	₹	₹
(a) The annual lease rent paid during the year	43.68	38.43
(b) The annual lease rent paid		
Not later than one year	28.80	28.80
Later than one year and not later than five year	72.00	100.80
Beyond five year	-	-

Company as a Lessor

The Company's significant leasing arrangement are primarily in respect of operating leases for factory. The aggregate lease rentals received during the year are as under

Particulars	As at 31st March, 2023	As at 31st March, 2022
	₹	₹
(a) The annual lease rent received during the year	3.66	2.40
(b) The annual lease rent receivable		
Not later than one year	3.06	3.06
Later than one year and not later than five year	5.47	5.47
Beyond five year	-	-

31.D Disclosures under Accounting Standards - 20 (Earnings Per Share)

Computation of Earnings per share:

Particulars	2022-23	2021-22
	₹	₹
Profit available to Equity Share holders	529.59	245.89
Weighted average number of shares -		
shares Outstanding during the year before bonus issue(Nos.):	84,00,000	42,00,000
Add : Bonus Issue made (Nos.)	-	42,00,000
Add : Share issued during the year	30,48,000	-
	1,14,48,000	84,00,000
Face Value per share	10	10
Basic Earnings per share	4.63	2.93
Diluted Earnings per share	4.63	2.93

31.E Disclosures under Accounting Standards- 22 (Accounting for taxes on Income)

Particulars	As at 31st March, 2023	As at 31st March, 2022
	₹	₹
Deferred tax (liability) / asset		
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of Property, plant and equipment	37.21	38.79
Tax effect of items constituting deferred tax liability	37.21	38.79
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for doubtful debts and other deposits	3.34	-
On items disallowed u/s 43B of Income Tax Act, 1961	10.75	8.73
Tax effect of items constituting deferred tax assets	14.09	8.73
Net deferred tax (liability) / asset	(23.11)	(30.06)

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31.F Disclosures under Accounting Standard-17 (Segment Reporting)

Operating Segments

I. Company has identified the two operating segment based on its operating activity

- a) Dairy & Kitchen equipment's segment
- b) Defence Products

Rs. In Lakhs

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Dairy & Kitchen equipment's segment	Defence Products	Total	Dairy & Kitchen equipment's segment	Defence Products	Total
	₹	₹	₹	₹	₹	₹
Revenue						
External	1,146.10	5,219.23	6,365.33	1,417.57	3,574.35	4,991.92
Inter Segment	-	-	-	-	-	-
Total Sales & Operating Income	1,146.10	5,219.23	6,365.33	1,417.57	3,574.35	4,991.92
Other Income	6.46	15.27	21.73	8.42	6.46	14.88
Total Income	1,152.56	5,234.50	6,387.06	1,425.99	3,580.81	5,006.81
Segment Results	91.86	1,139.04	1,230.90	86.53	749.23	835.76
Add: Interest and Other Income			73.55			27.53
Less: other unallocable expenses			631.25			511.43
Profit Before Tax			673.20			351.86
Less: Taxes			143.59			105.97
Profit After Tax			529.61			245.89
Segment Asset	1,127.57	6,107.03	7,234.60	1,124.32	4,256.54	5,380.86
Unallocated Corporate Assets			1,233.57			1,400.54
Total Assets			8,468.17			6,781.40
Segment Liability	365.86	2,104.21	2,470.07	724.38	2,373.41	3,097.79
Unallocated Corporate Liabilities			4,381.50			1,271.68
Total Liabilities			6,851.57			4,369.47
Capital Expenditure	79.78	192.12	271.91	3.25	527.94	531.19
Unallocated Capital Expenditure			4.54			0.55
Total Capital Expenditure			276.45			531.74
Segment Depreciation	16.70	169.92	186.62	17.06	140.83	157.89
Unallocated Segment Depreciation			10.18			9.67
Total Segment Depreciation			196.81			167.56

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NOTE NO. 32: Other Disclosures

32.A Disclosures related to Micro, Small and Medium Enterprises.

The Company has made payments of dues to Micro, Small and Medium enterprises generally within stipulated period of 45 days as prescribed under Micro, small and Medium Enterprises Development Act.

The details relating to Micro, Small and medium enterprise disclosed as under :

SN	Particulars	As at	As at
		31st March, 2023	31st March, 2022
		₹	₹
1	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	219.74	151.48
2	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;		
3	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	25.22
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	25.22
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		

32.B Foreign Exchange exposure as on year end are as under:

	Particulars	As at	As at
		31st March, 2023	31st March, 2022
		₹	₹
(a)	Amount Receivable	9.83	30.68
		\$0.12	\$0.46
(b)	Amount Payable	346.02	-
		\$4.14	-
(c)	Advance received for supply of goods	7.13	-
		\$0.09	\$0.00
(d)	Advance paid for supply of goods	2.68	-
		\$0.03	-

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32.C Trade Payable Ageing summary

SN	Particulars	Less than 1 year	1-2 years	2-3 Years	More than 3 Years	Total
		₹	₹	₹	₹	₹
	As at 31st March, 2023					
(i)	MSME	219.74	-	-	-	219.74
(ii)	Others	2,037.83	0.15	-	-	2,037.98
(iii)	Disputed Dues - MSME	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-
	Total	2,257.57	0.15	-	-	2,257.72
	As at 31st March, 2022					
(i)	MSME	147.07	2.08	1.96	0.37	151.48
(ii)	Others	1,193.33	17.61	7.29	29.93	1,248.15
(iii)	Disputed Dues - MSME	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-
	Total	1,340.40	19.69	9.25	30.30	1,399.63

32.D Trade Receivable Ageing summary

SN	Particulars	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 Years	More than 3 Years	Total
		₹	₹	₹	₹	₹	₹
	As at 31st March, 2023						
(i)	Undisputed Trade Receivable - Considered Good	2,348.23	79.94	117.80	95.49	52.54	2,694.00
(ii)	Undisputed Trade Receivable - Considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivable - Considered Good	-	-	-	-	4.63	4.63
(iv)	Disputed Trade Receivable - Considered doubtful	-	-	-	-	-	-
	Total	2,348.23	79.94	117.80	95.49	57.17	2,698.63
	Less: Provision for doubtful debt	-	-	-	-	-	10.19
	Total Trade Receivable	2,348.23	79.94	117.80	95.49	57.17	2,688.44
	As at 31st March, 2022						
(i)	Undisputed Trade Receivable - Considered Good	1,716.08	207.89	15.51	17.38	151.97	2,108.83
(ii)	Undisputed Trade Receivable - Considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivable - Considered Good	-	-	-	-	77.84	77.84
(iv)	Disputed Trade Receivable - Considered doubtful	-	-	-	-	-	-
	Total	1,716.08	207.89	15.51	17.38	229.81	2,186.67
	Less: Provision for doubtful debt	-	-	-	-	-	-
	Total Trade Receivable	1,716.08	207.89	15.51	17.38	229.81	2,186.67

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32.E Accounting Ratios

SN	Particulars	Numerator	Denominator	2022-23	2021-22	Variance (%)	Reason
1	Current Ratio (in times)	Current Assets	Current Liabilities	1.79	1.39	28.22%	Current ratio has improved due to infusion of funds by shareholders and increase in profits in the current year
2	Debt-Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.51	1.11	-54.60%	Due to infusion of additional funds by shareholders
3	Debt Service Coverage Ratio (in times)	Earnings available for debt service	Debt Service	5.82	0.49	848.93%	Due to increase in profit and repayment of old loans
4	Return on Equity Ratio (in %)	Net Profits after taxes	Average Shareholder's Equity	18.45%	12.60%	46.45%	Due to increase in profit in the current year
5	Inventory Turnover Ratio (in times)	Revenue from operations	Average Inventory	2.88	3.22	-10.51%	
6	Trade Receivables turnover ratio (in times)	Revenue from operations	Average Accounts Receivable	2.61	2.85	-8.26%	-
7	Trade Payable turnover ratio (in times)	Cost of sales + Other Expenses	Average Trade Payables	2.49	3.30	-24.30%	-
8	Net capital turnover ratio (in times)	Revenue from operations	Average Working Capital	2.94	3.02	-2.56%	
9	Net profit ratio (in %)	Net Profit after tax	Revenue from operations	8.32%	4.93%	68.91%	Due to Increase in sales and reduction in finance cost
10	Return on Capital employed (in %)	Earning before interest and taxes	Capital Employed	14.14%	12.19%	9.78%	-
11	Return on investment (in %)	Income from Investment	Average Investment	NA	NA	NA	-

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32.G Details of quarterly returns and statement of current assets filed by the company with banks along with the reasons for material discrepancy

Qtr.	Name of Bank	Details of current assets	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-22	Axis Bank/Standard Chartered Bank	Inventory	1,244.44	1,244.44	-	-
Jun-22		Book Debts	1,675.02	1,675.02	-	-
Jun-22		Trade Payable	852.09	417.63	(434.46)	See Note 1 below
Sep-22	Axis Bank/Punjab National Bank	Inventory	2,034.71	2,000.75	(33.96)	See Note 2 below
Sep-22		Book Debts	1,458.94	1,458.94	-	-
Sep-22		Trade Payable	749.69	424.33	(325.36)	See Note 1 below
Dec-22	Axis Bank/Punjab National Bank	Inventory	2,021.67	2,021.67	-	-
Dec-22		Book Debts	814.37	814.37	-	-
Dec-22		Trade Payable	938.24	572.08	(366.16)	See Note 1 below
Mar-23	Axis Bank/Punjab National Bank	Inventory	2,844.74	2,830.40	14.34	See Note 2 below
Mar-23		Book Debts	2,688.44	2,688.44	-	-
Mar-23		Trade Payable	2,257.72	1,502.20	755.52	See Note 1 below

Note: 1 Trade payable given to bank includes only payables related to materials and the payables towards other expenses creditors are not included in statement submitted to bank.

Note: 2 Stock of scrap is not considered by Bank and therefore Stock of scrap is not included in Stock statement submitted to the bank

32.H Other Regulatory Disclosure

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against The Company for holding any Benami property.
 (ii) Transactions with companies struck off.

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relation with the Struck off company
Ferroclad Solutions Private Limited	Rent on Plant & Machinery	-	No
Shivshakti Barrels Pvt. Ltd	Purchase of Goods	0.07	No
Dolphin Hotels Pvt Ltd.	Availment of service	-	No

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that The Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii) The Company do not have any such transaction which is not recorded in the books of accounts and that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

viii) The company holds all the title deeds of immovable property in its name.

ix) The company is not declared as wilful defaulter by any bank or financial Institution or other lender.

NOTE NO. 33: Prior period Items

SN	Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
	Reversal of Bank Interest Income related to earlier years	-	11.45
	Provision for Interest on Micro Small and Medium Enterprise related to earlier years	-	14.86
	Total	-	26.30

NOTE NO. 34: Disclosure relating to Provision

Provision for warranty

Warranty cost are provided based on a technical estimated of the costs required to be incurred for repairs, replacement, material cost, servicing based on past experience in respect of warranty costs. It is expected that this expenditure will be incurred over the contractual warranty period.

The movement in the above provisions are summarised below:

SN	Particulars	As at 31st March, 2023	As at 31st March, 2022
	Opening Balance	14.80	19.22
	Add: Provision created during the year	7.53	-
	Less: Provision reversed during the year	14.41	(4.43)
	Total	7.92	14.80

KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

CIN : U74900MH2013PLC248021

Rs. In Lakhs

NOTE NO. 35: Details related to utilisation of Initial Public offering (IPO) proceeds.

During the year , the company has completed the initial public offer(IPO) pursuant to which 30,48,000 Equity shares of 10 each were allotted, at an issue price of Rs. 39.00 per Equity Share. The company has received the Approval letter from NSE dated 05th April 2022 stating that the company shall be listed on NSE Emerge platform w.e.f. 06th April, 2022. The gross proceeds from the IPO aggregated to Rs. 1188.72 lakhs and the corresponding issue related expenses paid amounted to Rs. 126.60 lakhs. The company has fully utilised the balance amount for the objects i.e to met its working capital requirements and general corporate purpose , as mentioned in the Prospectus . The proceeds of the issue were fully utilized as at 31st March, 2023.

NOTE NO. 36:

The financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 22nd May, 2023. The financial statements as approved by the Board of Directors are subject to final approval by its Shareholders.

NOTE NO. 37: Previous year's figures

The figures of previous year have been re-arranged and regrouped wherever necessary to make them comparable with those of the current

As per our report of even date
For CNK & Associates LLP
Chartered Accountants
FRNo. : 101961W/W-109071W

For and on behalf of the Board of Directors

Ankur Ashwin Shah
Managing Director
DIN : 01166537
Place: Mumbai

Sandeep Ramrao Kadam
Whole Time Director
DIN : 06841164
Place: Vadodara

Alok Shah
Partner
Mem no. 042005
Vadodara, 22nd May 2023

Charmy Shah
Company Secretary
Place: Vadodara

Piyush Harjibhai Patel
Chief Financial Officer
Place: Vadodara
Date: 22nd May, 2023



KRISHNA

TOGETHER
WE HAVE UNFOLDED A
BRIGHTER TOMORROW



KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

OFFICE NO. 344, A TO Z INDUSTRIAL ESTATE, LOWER PAREL
WEST, MUMBAI - 400013.

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