

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 2022, 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, 2022, 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.



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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 for the preparation of the other information. The other information comprises the information included in Board's Report including Annexure to that Board's Report, Corporate Governance, and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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:

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; and

- (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 29.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. 31.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. 31H(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.
- v. The Company has not declared or paid any dividends during the period.

For, C N K & Associates LLP

Chartered accountants

FRN: 101961W/W-100036

Alok B. Shah

Alok B. Shah

Partner

Mem. No. 042005

Date: 27th May, 2022

Place: Vadodara

UDIN: 22042005AJSOBA2032



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1 '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, 2022.

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. 31.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 31.G to the financial statements;

III. The Company has made investments in mutual funds and 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	4.55	6.52

(b) In our opinion, the investments made in mutual funds and 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 except advance Income tax of Rs.48.39 lakhs for current year. There were no undisputed amounts payable with respect to above statutory dues in arrears as at March 31, 2022 for a period of six months from the date they became payable except for the income tax of Rs. 17.12 Lakhs for the current year, which subsequently paid by the company;
- (b) According to the information and explanations given to us and the records examined by us, no 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 as at March 31, 2022 which have not been deposited on account of a dispute.
- VIII. (a) As disclosed in note no. 31.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 there on.



(b) As disclosed in note no. 31.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) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable

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 has been resignation of the previous statutory auditor of the company during the year however, outgoing auditor has not raised any issues, objections or concerns;
- 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: 27th May, 2022

Place: Vadodara

UDIN: 22042005AJSOBA2032



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 2022 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 2022, 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

Alok B. Shah

Partner

Mem. No. 042005

Date: 27th May, 2022

Place: Vadodara

UDIN: 22042005AJSOBA2032



KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

CIN : U74900MH2013PLC248021

Balance Sheet as at 31st March, 2022

Rs. In Lakhs

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	840.00	420.00
(b) Reserves and surplus	4	1,234.97	1,409.08
		2,074.97	1,829.08
2 Share Application Money Pending Allotment	5	336.96	-
3 Non-current liabilities			
(a) Long-term borrowings	6	720.59	1,476.87
(b) Deferred tax liabilities (Net)	30E	30.06	21.09
(c) Long-term provisions	7	7.43	5.01
		758.07	1,502.97
4 Current liabilities			
(a) Short-term borrowings	8	1,587.89	1,080.51
(b) Trade payables	9		
(A) Total outstanding dues of Micro and small enterprises		151.48	152.67
(B) Total outstanding dues of creditors other than micro and small enterprises		1,248.15	520.24
(c) Other current liabilities	10	533.44	465.76
(d) Short-term provisions	11	90.43	80.29
		3,611.40	2,299.47
TOTAL		6,781.40	5,631.52
II. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets	12		
(i) Property, Plant and Equipment		1,360.31	996.13
(ii) Capital work in progress		-	339.23
(b) Non-current investments	13	1.00	1.00
(c) Long-term loans and advances	14	8.38	17.26
(d) Other non-current assets	15	94.26	88.15
		1,463.95	1,441.77
2 Current assets			
(a) Inventories	16	1,571.24	1,528.02
(b) Trade receivables	17	2,186.67	1,320.78
(c) Cash and Bank Balance	18	1,441.98	965.61
(d) Short Term loans and advances	19	68.13	113.47
(e) Other current assets	20	49.43	261.87
		5,317.45	4,189.75
TOTAL		6,781.40	5,631.52

As per our report of even date
For CNK & Associates LLP
Chartered Accountants
FRNo. : 101961W/W-100036

Alok Shah

Alok Shah
Partner
Mem no. 042005
Vadodara, 27th May, 2022



For and on behalf of the Board of Directors

Ankur Ashwin Shah
Ankur Ashwin Shah
Managing Director
DIN : 01166537
Place: Mumbai

Charmy Shah
Charmy Shah
Company Secretary
Place: Vadodara

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

Piyush Haribhai Patel
Piyush Haribhai Patel
Chief Financial Officer
Place: Vadodara

Date: 27th May, 2022

KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

CIN : U74900MH2013PLC248021

Statement of Profit and Loss for the Year ended 31st March 2022

Rs. In Lakhs

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
I. Revenue from operations	21	4,991.92	3,502.66
II. Other income	22	42.41	130.13
III. Total Income		5,034.34	3,632.79
IV. Expenses:			
Cost of materials consumed	23	1,526.73	739.11
Purchases of Stock-in-Trade	24	648.25	285.91
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	25	(57.74)	601.96
Employee benefit expenses	26	913.59	651.30
Finance costs	27	186.16	167.43
Depreciation and amortization expenses	12	167.56	139.65
Other expenses	28	1,297.93	783.74
Total expenses		4,682.48	3,369.10
V Profit before tax		351.86	263.69
VI Tax expense:			
Current tax		91.37	67.00
Tax of earlier years (Net)		5.63	8.90
Deferred tax Liability/(Asset)		8.96	1.55
VII Profit for the year (V-VI)		245.89	186.24
VIII Earnings per equity share:			
Basic	30(D)	2.93	2.22
Diluted		2.93	2.22

As per our report of even date
For CNK & Associates LLP
Chartered Accountants
FRNo. : 101961W/W-100036

Alok Shah

Alok Shah
Partner
Mem no. 042005
Vadodara, 27th May, 2022



For and on behalf of the Board of Directors
Ankur Ashwin Shah
Ankur Ashwin Shah
Managing Director
DIN : 01166537
Place: Mumbai

Charmy Shah
Charmy Shah
Company Secretary
Place: Vadodara

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

Piyush Narjibhai Patel
Piyush Narjibhai Patel
Chief Financial Officer
Place: Vadodara

Date: 27th May, 2022

KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)
CIN : U74900MH2013PLC248021

Cash Flow Statement For the year ended 31st March, 2022

Rs. In Lakhs

		For the year ended 31st March, 2022		For the year ended 31st March, 2021	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit before exceptional items, prior period items and tax:		351.86		263.69
	Adjustments for :				
	Depreciation / amortization	167.56		139.65	
	Amount no longer payable written back	-		(51.29)	
	Rent Income	(2.40)		(2.40)	
	Award Income	-		(2.50)	
	Interest received	(39.85)		(72.27)	
	Bad Debts	28.75		34.55	
	Interest Expense	143.37		156.81	
			297.43		202.55
	Operating Profit before working capital changes		649.29		466.24
	Adjustments for:				
	(Increase)/Decrease in Loans and Advances	50.06		17.96	
	(Increase)/Decrease in Trade receivables	(894.64)		(137.66)	
(Increase)/Decrease in Inventories	(43.22)		530.80		
(Increase)/Decrease in Other Non Current Assets	(6.11)		13.74		
(Increase)/Decrease in Other Current Assets	212.44		2.01		
Increase/(Decrease) in Trade Payable	726.72		(347.78)		
Increase/(Decrease) in Liabilities and Provisions	31.86		(334.27)		
		77.10		(255.20)	
Cash generated from Operations		726.38		211.04	
Less : Direct taxes paid (Net of refund, if any)		(44.45)		(20.89)	
Cash flow before extraordinary items		681.94		190.14	
Net cash from Operating Activities (A)		681.94		190.14	
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Property plant & Equipment's		(192.51)		(276.23)
	(Increase)/Decrease in Other bank balances		(490.76)		180.83
	Rent Received		2.40		2.40
	Interest received		39.85		72.27
Net Cash used in Investing Activities (B)		(641.02)		(20.73)	
C	CASH FLOW FROM FINANCIAL ACTIVITIES				
	Receipt on account of share application Money		336.96		-
	Receipt of Long term borrowings(net)		-		703.66
	Repayment of Long Term Borrowings		(768.18)		(642.31)
	Increase/(Decrease) in Short term Borrowings		519.28		(71.65)
	Interest paid		(143.37)		(156.81)
	Net cash used Financing Activities (C)		(55.31)		(167.12)
Net increase in cash and cash equivalents (A+B+C)		(14.38)		2.30	
Cash and cash equivalents at the beginning of the year		22.96		20.66	
Cash and cash equivalents at the end of the year		8.58		22.96	
Components of Cash & Cash Equivalents					
Cash on hand		7.77		10.79	
Balance with schedule banks					
In Current Account		0.81		12.17	
Cash and Cash Equivalents		8.58		22.96	

Note:-

- Figures in the brackets represents cash outflow.

As per our report of even date
For CNK & Associates LLP
Chartered Accountants
FRNo. : 101961W/W-100036

Alok Shah

Alok Shah
Partner
Mem no. 042005
Vadodara, 27th May, 2022



For and on behalf of the Board of Directors

Ashwin Shah
Ashwin Shah
Managing Director
DIN : 01166537
Place: Mumbai

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

Charmy Shah
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Company Secretary
Place: Vadodara

Piyush H. Patil
Piyush H. Patil
Chief Financial Officer
Place: Vadodara

Date: 27th May, 2022

KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

Notes forming parts of the financial statements

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 now listed on the SME platform of National Stock Exchange i.e. NSE Emerge as on 06th April, 2022.

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.



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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.



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

Notes forming parts of the financial statements

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



KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

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Notes forming parts of the financial statements

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



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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.



KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

Notes forming parts of the financial statements

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.



KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

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Notes forming parts of the financial statements

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.



KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

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Notes forming parts of the financial statements

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.



KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

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Notes forming parts of the financial statements

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)
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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 31 March 2022		As at 31 March 2021	
	Number of Shares	₹	Number of Shares	₹
Authorized Equity Shares of ₹ 10/- each with voting rights	12,000,000	1,200.00	6,000,000	600.00
Issued Equity Shares of ₹ 10/- each with voting rights	8,400,000	840.00	4,200,000	420.00
Subscribed & Paid up Equity Shares of ₹ 10/- each with voting rights	8,400,000	840.00	4,200,000	420.00
Total	8,400,000	840.00	4,200,000	420.00

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 31 March 2022		As at 31 March 2021	
	Number of Shares	₹	Number of Shares	₹
Opening Balance	4,200,000	420.00	4,200,000	420.00
Add: Bonus share issued during the year	4,200,000	420.00	-	-
Add: Fresh Issue of shares	-	-	-	-
Closing Balance	8,400,000	840.00	4,200,000	420.00

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 year, 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 reserves of Rs. 420.00 Lakhs/-

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

Promoters name	As at 31 March 2022			As at 31 March 2021		
	Number of shares held	% holding in that class of shares	% of Change during the year	Number of shares held	% holding in that class of shares	% of Change during the year
Ankur Shah	5,253,890	62.55%	0.00%	2,626,945	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 31 March 2022		As at 31 March 2021	
	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	5,253,890	62.55%	2,626,945	62.55%
Krish Commodities Private Limited	588,000	7.00%	294,000	7.00%
Krish Industries Private Limited	840,000	10.00%	420,000	10.00%
Pallavi Shah	1,633,710	19.45%	816,855	19.45%



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)
CIN : U74900MH2013PLC248021

Notes forming part of the Financial Statements

Rs. In Lakhs

NOTE NO. 4 : RESERVES AND SURPLUS

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
(a) Security Premium Account		
Opening Balance	25.00	25.00
Less: Utilised for Issue of Bonus Equity Shares during the year (Refer below Note No (i))	25.00	-
Closing Balance	-	25.00
(b) Defence Technology Absorption Reserve		
Opening Balance	-	2.50
Less: Transferred to Profit & Loss account	-	2.50
Closing Balance	-	-
(b) Surplus		
Opening balance	1,384.08	1,197.84
Add : Surplus in statement of Profit and Loss	245.89	186.24
Less: Utilised for Issue of Bonus Equity Shares during the year (Refer below Note No (i))	395.00	-
Closing Balance	1,234.97	1,384.08
Total (a)+(b)	1,234.97	1,409.08

(i) During the year, 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 reserves of Rs. 420.00 Lakhs/-. As per Section 52 of the Companies Act, 2013, Company has utilised the security premium for issue of the bonus share to the extent Security Premium was available. Further, Rs. 395.00 lakhs has been utilised from reserves and surplus.

NOTE NO. 5 : SHARE APPLICATION MONEY PENDING ALLOTMENT

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
Share Application Money Pending Allotment(Refer note 5(i))	336.96	-
Total	336.96	-

Note 5(i): Share application money pending allotment

Number of shares proposed to be issued having face value of Rs.10 Each/-	1,026,000	-
The amount received towards face value of Rs. 10/- per share	102.60	-
The amount received towards security premium of Rs. 29/- per share	297.54	-
Total amount Received(A)	400.14	
The period before which shares are to be allotted	within 3 days of from closure of issue period	-
Total number of shares issued having face value of Rs.10 Each/- (as defined in the prospectus filed as on 31st March, 2022 with NSE Emerge)	864,000	-
Excess amount to be refunded classified as other current liabilities (Amount refunded on 04th April, 2022) (B)	63.18	-
Balance shown as Share application money pending allotment(A-B)	336.96	

NOTE NO. 6 : LONG TERM BORROWINGS

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
(a) Term Loans (Refer note 6(i))		
- Secured		
(i) From Banks	262.22	361.35
Total	262.22	361.35
Less: Current Maturities of long - term debts	91.63	103.53
	170.59	257.82
(b) Loans from directors (unsecured) (Refer note 6(ii))	550.00	472.03
(c) Inter-corporate Deposits (unsecured) (Refer note 6(i))	-	342.24
(d) Loan from share holders (unsecured) (Refer note 6(iii))	-	404.78
Total	720.59	1,476.87



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

CIN : U74900MH2013PLC248021

Notes forming part of the Financial Statements

Rs. In Lakhs

Note No-6 (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
	31 March 2022	31 March 2021
	₹	₹
Secured Term loans from banks:		
(i) Axis Bank Car Loan - (Breza Loan) (Secured by way of Hypothecation of Breza Car. Interest Rate is 8.60% with monthly rests. Loan is repayable in 60 equal monthly instalment of Rs. 16,534/-)	-	3.88
(ii) Axis Bank Car Loan - (Breza Loan) (Secured by way of Hypothecation of Breza Car. Interest Rate is 8.60% with monthly rests. Loan is repayable in 60 equal monthly instalment of Rs. 16,534/-)	-	4.21
(iii) Axis Bank Term Loan - 1 (The loan secured by way of first charge on entire present and future movable fixed asset of the company The above facility is also secured by way of charge on entire present and future current asset. 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. 4.62 crores. The facility is further secured by way of personal guarantee of the managing director. Interest rate is 1 year MCLR (presently MCLR is 8.25%) plus 3.35% i.e. effective interest rate is 11.60%. Loan is repayable in 60 Equal Monthly Instalment of Rs. 2,50,000/- after the end of moratorium period of 6 months)	-	15.00
(iv) Axis Bank Term Loan - 3 (The loan secured by way of first charge on entire present and future movable fixed asset of the company The above facility is also secured by way of charge on entire present and future current asset. 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. 4.62 crores. The facility is further secured by way of personal guarantee of the Managing Director. Interest rate is 8.25% linked to repo rate (i.e. 4.00%+4.25%). Loan is repayable in 60 Equal Monthly Instalment of Rs. 3,00,000/- after the end of moratorium period of 6 months)	22.64	57.45
(v) Standard Chartered Bank - office Loan (Loan is secured by of mortgage of office situated at Unit No. 344, 3rd Floor, A to z industrial premises CSL, A 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. 1,89,609/-)	113.04	123.58
(vi) Axis Bank - ECLGS Term loan (The loan secured by way of first charge on entire present and future movable fixed asset of the company The above facility is also secured by way of charge on entire present and future current asset. 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. 4.62 crores. The facility is further secured by way of personal guarantee of the Managing Director. Interest rate is 8.25% linked to repo rate (i.e. 4.00%+4.25%). Loan is repayable in 36 Equal Monthly Instalment of Rs. 4,33,333/- after the end of moratorium period of 12 months)	126.55	157.23
Total	262.22	361.35



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

CIN : U74900MH2013PLC248021

Notes forming part of the Financial Statements

Rs. In Lakhs

<u>Unsecured Term loans from NBFC:</u>		
<u>Unsecured Inter corporate Deposits:</u>		
(i) Shah Brothers Ispat Pvt. Ltd (Interest on loan is 8.00% as per the agreement however company has taken waiver of interest for the FY 2020-21 and the year ended 31st March, 2022)	-	150.00
(ii) Jaisons Realty (Asia) LLP (formally known as Jaison Realty Asia Ltd.) (Interest on loan is 8.00%)	-	40.00
(iii) Stock Guardian India Private Limited (Interest on loan is 8.00%)	-	100.00
(iv) Anju Securities Pvt Ltd. (Interest on loan is 8.00%)	-	52.24
	-	342.24

Note No-6 (ii) Details of terms of interest of loan from director

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
Interest bearing loan (Interest paid at 9%)	-	32.93
Non - Interest bearing loan (Above loans are taken as per bank stipulation)	550.00	439.10
	550.00	472.03

Note No-6 (iii) Details of terms of interest of loan from shareholders

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
Interest bearing loan (Interest paid at 9%)	-	368.96
Non - Interest bearing loan	-	35.81
	-	404.77

NOTE NO. 7 : LONG TERM PROVISIONS

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
(a) Provision for employee benefits		
(i) Provision for Compensated absences	7.43	5.01
Total	7.43	5.01

NOTE NO. 8 SHORT TERM BORROWINGS

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
(a) Current Maturities of long-term debt: (Refer below note i)	91.63	103.53
(b) Loans repayable on demand		
- Secured		
(i) From Banks (refer below note (ii))	780.60	818.84
(c) Loans from directors (unsecured) (refer below note (iii))	567.26	123.46
(d) Loans from Shareholders (Unsecured) (refer below note (iv))	-	27.99
(e) Inter corporate Deposits (Unsecured) (refer below note (v))	148.40	6.69
Total	1,587.89	1,080.51



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

CIN : U74900MH2013PLC248021

Notes forming part of the Financial Statements

Rs. In Lakhs

Note:

(i) For details of security, Interest rate and repayment terms refer Note No.6 (i)

(ii) 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. 4.62 crores. The facility is further secured by way of personal guarantee of the Managing director. Interest rate is 8.25% linked to repo rate (i.e. 4.00%+4.25%)

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

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
Interest bearing loan (Interest paid at 9%)	-	6.82
Non - Interest bearing loan	567.26	116.64
	567.26	123.46

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

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
Interest bearing loan (Interest paid at 9%)	-	25.25
Non - Interest bearing loan	-	2.74
	-	27.99

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

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
Unsecured Inter corporate Deposits:		
(i) Sanaya Realities Pvt. Ltd. (Interest on loan is 12.50%)	-	6.69
(ii) Jaisons Realty (Asia) LLP (formaly known as Jaison Realty Asia Ltd.) (Interest on loan is 8.00%)	69.69	-
(iii) Stock Guardian India Private Limited (Interest on loan is 8.00%)	70.00	-
(iv) Anju Securities Pvt Ltd. (Interest on loan is 8.00%)	8.70	-
	148.39	6.69

NOTE NO. 9 TRADE PAYABLES

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
(i) Trade payables [Refer note no. 31(A) & 31(D)]		
- Total outstanding dues of Micro and small enterprises	151.48	152.67
- Total outstanding dues of Trade payables other than Micro and small enterprises	1,248.15	520.24
Total	1,399.63	672.91



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

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CIN : U74900MH2013PLC248021

Notes forming part of the Financial Statements

Rs. In Lakhs

NOTE NO 10 : OTHER CURRENT LIABILITIES

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
Interest accrued on borrowings	1.69	-
Other payables		
(i) Salary & Wages Payable	91.77	115.23
(ii) Statutory dues payable	12.73	8.08
(iii) Tax Deducted at Source payable	15.11	48.19
(iv) Advances From Customers	316.65	285.02
(v) Security Deposits from dealers	0.25	0.25
(vi) Share Application money to be refunded(Refer note no. 5(i))	63.18	-
(vii) Other Payables	32.07	8.98
Total	533.44	465.76

NOTE NO. 11 : SHORT TERM PROVISIONS

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
(a) Provision for employee benefits		
(i) Provision for Compensated absences	5.73	-
(ii) Provision for Gratuity [Refer Note No- 30 (A)]	-	3.43
(ii) Provision for Bonus	21.51	19.06
(b) Provisions- Others		
(i) Provision for Warranties[Refer Note No- 33]	14.80	19.22
(ii) Provision for Income tax (Net of Taxes paid in advance)	48.39	38.58
Total	90.43	80.29

NOTE NO. 13 : NON CURRENT INVESTMENTS

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
(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	0.86	0.71

NOTE NO. 14 : LONG TERM LOANS AND ADVANCES

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
Unsecured, considered good		
(a) Capital Advance	-	3.57
(b) Prepaid Expenses	8.38	9.52
(c) Advance income tax (net of provisions)	-	4.17
Total	8.38	17.26



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

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CIN : U74900MH2013PLC248021

Notes forming part of the Financial Statements

Rs. In Lakhs

NOTE NO. 12(a) : Property, Plant and Equipment

	Fixed Assets		Gross Block		Balance as at 31 March 2022	Balance as at 1 April 2021	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		
Note 12(b) : 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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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)
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Notes forming part of the Financial Statements

Rs. In Lakhs

NOTE NO. 12(a) : Property, Plant and Equipment

	Fixed Assets				Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2020	Additions	Disposals/transfers	Balance as at 31 March 2021	Balance as at 1 April 2020	Depreciation/amortization expense for the year	Eliminated on disposal of assets	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020		
(i) Tangible Assets (Owned)												
(a) Land Freehold	153.94	-	-	153.94	-	-	-	-	153.94	-	153.94	
(b) Buildings - Factory Building - Office Premises	343.09 230.54	11.96	-	355.05 230.54	166.30 19.24	20.21 10.29	-	186.51 29.53	168.54 201.01	176.79 211.30		
(c) Plant and Equipment	869.78	67.10	-	936.88	440.97	85.11	-	526.08	410.80	428.81		
(d) Furniture and Fixtures	73.20	13.18	-	86.37	37.51	9.86	-	47.36	39.01	35.69		
(e) Motor Vehicles	52.18	-	-	52.18	38.75	4.21	-	42.96	9.22	13.43		
(f) Laboratory Equipment's	0.90	-	-	0.90	0.89	0.01	-	0.89	0.01	0.01		
(g) Office equipment's	38.84	0.11	-	38.95	24.96	6.23	-	31.19	7.75	13.88		
(h) Computer Equipment's	23.61	5.75	-	29.36	19.78	3.73	-	23.52	5.84	3.82		
Total	1,786.08	98.10	-	1,884.18	748.41	139.65	-	888.06	996.13	1,037.68		
Previous Year	1,608.75	177.33	-	1,786.08	609.21	139.19	-	748.41	1,037.68	999.54		
Note 12(b) : Capital Work in Progress												
(a) Capital Work in Progress	161.10	178.13	-	339.23	-	-	-	-	339.23	-	161.10	
Total	161.10	178.13	-	339.23	-	-	-	-	339.23	-	161.10	
Previous Year	46.42	114.69	-	161.10	-	-	-	-	161.10	-	46.42	

Capital Work-in-Progress / Intangible assets under development Ageing

CWIP / Intangible Assets under development	Amount in CWIP / Intangible Assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Year	
As at 31 March 2022 Projects in progress Projects temporarily suspended	-	-	-	-	-
As at 31 March 2021 Projects in progress Projects temporarily suspended	178.13	114.69	46.42	-	339.23



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

CIN : U74900MH2013PLC248021

Notes forming part of the Financial Statements

Rs. In Lakhs

NOTE NO. 15 : OTHER NON CURRENT ASSETS

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
Unsecured, considered good		
(a) Security Deposits	94.26	88.15
Total	94.26	88.15

NOTE NO. 16 : INVENTORIES

(At lower of cost and net realizable value)

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
(a) Raw Materials	84.52	108.02
(b) Work-in-progress	1,389.65	1,351.43
(c) Finished goods (other than those acquired for trading)	1.21	1.21
(d) Stock-in-trade	18.98	18.44
(e) Stores, Spares and fuel	34.58	25.59
(f) Scrap	42.30	23.32
Total	1,571.24	1,528.02

Note No. 16(i) Details of inventory of Raw Materials

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
SS Sheets	36.64	35.32
Milking Machine Parts	47.88	72.70
Total	84.52	108.02

Note No. 16(ii) Details of inventory of Work-In-Progress

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
Bulb Bar	1,217.70	1,065.71
Milk Cans	171.95	285.73
Total	1,389.65	1,351.44

Note No. 16(iii) Details of inventory of Finished Goods

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
Milk Cans	1.21	1.21
Total	1.21	1.21



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

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Notes forming part of the Financial Statements

Rs. In Lakhs

NOTE NO. 17 : TRADE RECEIVABLES

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
Unsecured, considered good [Refer note no. 31(E)]		
Trade receivables outstanding for a period exceeding six months from the due date of payment	470.59	475.79
Other Trade receivables	1,716.08	844.99
Total	2,186.67	1,320.78

NOTE NO. 18 : CASH AND BANK BALANCES

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
(A) Cash and Cash Equivalents		
(a) Cash on hand	7.77	10.79
(b) Balances with Banks in current accounts		
- In current accounts	0.81	12.17
	8.58	22.96
(B) Other Balances		
(i) Bank Balances held as margin money against Guarantees (Refer below note (i))	341.90	289.95
(ii) Fixed Deposit with Bank (Refer below note (ii))	691.36	652.70
(iii) Earmarked bank balances (Refer below note (iii))	400.14	-
	1,433.40	942.65
Total	1,441.98	965.61

(i) Margin monies amounting to Rs. 309.57 Lakhs /-(As at 31 March, 2021 Rs. 244.75 Lakhs) have maturity of more 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 limites 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. 19 : SHORT TERM LOAN AND ADVANCES

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
Unsecured, considered good		
(a) Loans and advances to employees	8.51	11.66
(b) Prepaid expenses	16.60	12.80
(c) Balances with government authorities	41.27	87.26
(d) TDS receivable from Financial Institution	1.75	1.75
Total	68.13	113.47

NOTE NO. 20 : OTHER CURRENT ASSETS

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
Unsecured, considered good		
(a) Advance to Suppliers and others	39.01	261.87
(b) Gratuity Fund [Refer Note No- 30 (A)]	10.42	-
Total	49.43	261.87



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

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Notes forming part of the Financial Statements

Rs. In Lakhs

NOTE NO. 21 : REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	₹	₹
(a) Sale of products(Refer note 21(i))	4,681.05	3,427.79
(b) Other Operating revenue(Refer note 21(ii))	310.87	74.87
Total	4,991.92	3,502.66

Note No. 21 (i) Sale of Products comprises of

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	₹	₹
Sale of manufactured goods		
Defence Product	3,380.46	2,404.66
Dairy & Kitchen Equipment	633.72	653.09
	4,014.18	3,057.74
Sale of Traded goods		
Defence Product	18.24	2.97
Dairy & Kitchen Equipment	648.63	367.08
	666.87	370.05
Total Sale of Products	4,681.05	3,427.79

Note No. 21(ii) Other Operating Revenue comprises of

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	₹	₹
(i) Job Work Income	0.17	0.24
(ii) Scrap Sales	310.71	74.64
Total - Other operating revenues	310.87	74.87

NOTE NO. 22 : OTHER INCOME

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	₹	₹
(a) Interest Income (Refer Note 22(i))	39.85	72.27
(b) Rental Income	2.40	2.40
(c) Net gain on foreign currency transactions	-	1.09
(d) Misc. Income	0.16	3.08
(e) Amount no longer payable written back	-	51.29
Total	42.41	130.13

Note No. 22 (i) Interest Income comprises of

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	₹	₹
(i) Interest from Bank on: Fixed Deposits	39.85	72.27
Total - Interest income	39.85	72.27



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

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Notes forming part of the Financial Statements

Rs. In Lakhs

NOTE NO. 23 : COST OF MATERIALS CONSUMED

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	₹	₹
Raw Materials Consumption		
Opening Stock	108.02	47.24
Add: Purchases	1,503.23	799.89
	1,611.25	847.13
Less: Closing stock	84.52	108.02
Cost of Material consumed	1,526.73	739.11
Total	1,526.73	739.11

Note No. 23 (i) Cost of materials consumed comprises of:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	₹	₹
Raw Material (a) SS Sheet / Plats	1,526.73	739.11
Total	1,526.73	739.11

NOTE NO. 24 PURCHASE OF TRADED GOODS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	₹	₹
Purchase of traded goods	648.25	285.91
Total	648.25	285.91



KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

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Notes forming part of the Financial Statements

Rs. In Lakhs

NOTE NO. 25 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	Year ended	Year ended
	31 March 2022	31 March 2021
	₹	₹
(a) Inventories at the beginning of the year:		
Finished Goods	1.21	323.61
Work in Progress	1,351.43	1,622.27
Stock in Trade	18.44	44.01
Scrap	23.32	6.48
	1,394.40	1,996.37
(b) Inventories at the end 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
Net Change in Inventories	(57.74)	601.96

NOTE NO. 26 : EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended	Year ended
	31 March 2022	31 March 2021
	₹	₹
(a) Salaries, wages, bonus etc.	711.32	466.16
(b) Remuneration to directors	152.40	143.73
(c) Contributions to Provident and other funds	36.54	31.21
(d) Staff welfare expenses	13.32	10.19
Total	913.59	651.30

NOTE NO. 27 : FINANCE COSTS

Particulars	Year ended	Year ended
	31 March 2022	31 March 2021
	₹	₹
(i) Interest expense		
(a) on borrowings	143.37	156.81
(ii) Other borrowing costs	42.77	10.46
(ii) Interest on statutory Dues	0.02	0.16
Total	186.16	167.43



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

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CIN : U74900MH2013PLC248021

Notes forming part of the Financial Statements

Rs. In Lakhs

NOTE NO. 28 : OTHER EXPENSES

Particulars	Year ended	Year ended
	31 March 2022	31 March 2021
	₹	₹
Store & Spares Consumed	168.55	61.20
Job Work & Labour Changes	363.16	220.94
Power & Fuel Expenses	152.01	74.27
Repairs & Maintenance - Plant & Machinery	4.22	2.33
- Building	6.68	1.71
- Others	6.60	3.85
Laboratory and Testing Expenses	16.53	13.10
Travelling and Conveyance	76.93	36.95
Legal & Professional Charges	41.27	35.89
Rates & Taxes	1.40	5.20
Rent Expenses (Refer Note No. 30 C)	38.43	29.51
Security Expenses	17.75	16.93
Vehicle Expenses	13.64	8.62
Insurance Expenses	10.53	5.74
CSR Expenses	-	15.50
Donation Expenses	1.77	0.10
Factory Expenses	4.86	8.04
Installation charges	20.59	16.65
Freight & Forwarding charges	52.72	40.21
Net loss on foreign currency transactions	0.96	-
Telephone & Internet Expenses	6.64	4.04
Bad Debts	28.75	34.55
Payment to Auditors		
a. Statutory Audit	2.11	0.90
b. Tax Audit	-	0.50
c. Other certification services	3.51	0.10
Selling & Distribution Expenses		
a. Commission on sales	7.93	0.75
b. Advertisement	9.22	2.97
c. Freight and Other Expenses	110.30	69.34
d. Discount, Sales Promotion and samples	39.85	7.95
e. Late Delivery Charges	9.90	10.31
Bank Charges & Commission	25.70	20.70
Miscellaneous Expenses	55.42	34.89
Total	1,297.93	783.74



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

CIN : U74900MH2013PLC248021

Additional Information to The financial statements:-

Rs. In Lakhs

NOTE NO. 29 Other Disclosures as per Schedule-III of the Companies Act, 2013

29.A Contingent Liabilities & Commitments

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	185.46	-
(b) On account of Litigations		
(a) Central Sales Tax (CST)	-	36.32
(c) Bank Guarantees issued by bank on behalf of Company for which company has issued counter guarantee	1,404.05	1,219.54
(d) On account of other contingent claims	77.84	77.84
	1,481.89	1,333.70
(ii) Commitments		
(a) Estimated amount of Contracts to be executed on capital account and not provided for net of capital advance	-	5.92
(b) Other Commitments	-	-

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

Particulars	Year ended	Year ended
	31 March 2022	31 March 2021
	₹	₹
(a) Raw materials/ Traded Goods	8.30	17.19
(b) Plant & Machinery	-	30.46

29.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	Year ended
	31 March 2022	31 March 2021
	₹	₹
(a) Travelling Expenses	17.44	0.90



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

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Additional Information to The financial statements:-

Rs. In Lakhs

29.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 31 March 2022	Year ended 31 March 2021
		₹	₹
(i)	Imported Raw materials	8.30 0.54%	17.19 2.33%
(ii)	Indigenous Raw materials	1,518.43 99.46%	721.91 97.67%

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

29.E Earnings in foreign exchange

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
		₹	₹
(a)	Export of goods calculated on FOB basis	23.24	-

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

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
		₹	₹
(a)	Amount of dividend remitted in foreign currency	Nil	Nil



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

CIN : U74900MH2013PLC248021

Rs. In Lakhs

NOTE NO. 30 Disclosures under Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.(as amended)

30.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, 2011.

(a) Defined Contribution Plans:

The Company makes Provident Fund and Superannuation Fund, 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 31 March 2022	Year ended 31 March 2021
	₹	₹
Contribution to Provident Fund	33.78	22.97
Contribution to ESIC	7.24	4.88

(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	2021-22	2020-21
	₹	₹
Present value of funded obligations	94.27	84.46
Fair value of plan assets	(104.69)	(81.04)
Net Liability (Asset)	(10.42)	3.43

Profit and loss account for the period

Particulars	2021-22	2020-21
	₹	₹
Current service cost	10.12	8.74
Interest on obligation	5.31	4.79
Expected return on plan assets	(5.78)	(4.35)
Net actuarial loss/(gain)	(10.20)	(4.56)
Total included in 'Employee Benefit Expense'	(0.55)	4.63



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

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Rs. In Lakhs

Particulars	2021-22	2020-21
	₹	₹
Loss/(gain) on obligation	(3.69)	(4.81)
Loss/(gain) on assets	(6.50)	0.25
Net actuarial loss/(gain)	(10.20)	(4.56)

Reconciliation of defined benefit obligation

Particulars	2021-22	2020-21
	₹	₹
Opening Defined Benefit Obligation	84.46	80.12
Transfer in/(out) obligation	-	-
Current service cost	10.12	8.74
Interest cost	5.31	4.79
Actuarial loss (gain)	(3.69)	(4.81)
Benefit paid from fund	(1.92)	(4.38)
Closing Defined Benefit Obligation	94.27	84.46

Reconciliation of plan assets

Particulars	2021-22	2020-21
	₹	₹
Opening value of plan assets	81.04	68.14
Transfer in/(out) obligation	12.60	-
Expected return	5.78	4.32
Actuarial gain/(loss)	6.50	(0.25)
Contributions by employer	0.69	13.20
Benefits paid	(1.92)	(4.38)
Closing value of plan assets	104.69	81.04

Composition of the plan assets

Reconciliation of plan assets		
Particulars	2021-22	2020-21
	₹	₹
Policy of insurance	100%	100%

Reconciliation of net defined benefit liability

Particulars	2021-22	2020-21
	₹	₹
Net opening provision in books of accounts	3.43	11.97
Transfer in/(out) obligation	-	-
Transfer (in)/out obligation	(12.60)	-
Employee Benefit Expense	(0.55)	4.66
	(9.73)	16.63
Contributions to plan assets	(0.69)	(13.20)
Closing provision in books of accounts	(10.42)	3.43

Principle actuarial assumptions

Particulars	2021-22	2020-21
	₹	₹
Discount Rate	6.90% p.a	6.55% p.a
Expected Return on Plan Assets	6.90% p.a	6.55% 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



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)
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Rs. In Lakhs

Table of experience adjustments

Particulars	2021-22	2020-21
	₹	₹
Defined Benefit Obligation	94.27	84.46
Plan Assets	104.69	81.04
Surplus/(Deficit)	10.42	(3.43)
Experience adjustments on plan liabilities	(1.07)	(2.69)
Actuarial loss/ (gain) due to change in financial assumptions	(2.63)	(2.11)
Actuarial loss/ (gain) due to change in demographic assumption	-	-
Experience adjustments on plan assets	(6.50)	0.25
Net actuarial loss/ (gain) for the year	(10.20)	(4.56)

(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.

30.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. Ashwin Natvarlal Shah (up to 06th November, 2019) (b) Mr. Ankur Ashwin Shah, Managing Director (c) Mr.Sandeep Ramrao Kadam, Whole time Director (d) Mr. Suwendu Banerjee, Whole time Director (e) Mr. Vasant Modak (Up to 23rd August, 2021) (f) Mrs. Pallavi Ashwin Shah(Up to 30th January, 2020) (g) Mrs. Preyal Ankur Shah, Non-Executive Director (Up to 14th December, 2021) (h) Mrs. Preyal Ankur Shah, Non-Executive Director and Chairperson (w.e.f. 11th January, 2022) (i) Mr. Jaykumar Toshniwal, Independent Director (w.e.f. 23rd August, 2021) (j) Mr. Divyakant Ramniklal Zaveri, Independent Director (w.e.f. 23rd August, 2021) (k) Ms. Charmy Shah, Company Secretary (w.e.f. 22nd October, 2021) (l) Mr. Piyush Harjibhai Patel, Chief Financial Officer (w.e.f. 23rd August, 2021)
Relatives of KMP	(a) Mrs. Pallavi Ashwin Shah (From 31st January, 2020) (b) Mrs. Amisha Savjani (c) Mr Chetan Dharia (d) Mrs. Sarojini Kadam (e) Mrs. Rakhi Banerjee (f) 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)) (i) Shah Innovators (Proprietor Ankur A Shah (HUF))

Note: Related parties have been identified by the Management.



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

CIN : U74900MH2013PLC248021

Rs. In Lakhs

Details of related party transactions and balances outstanding

1. Details of related party transaction during the year:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	₹	₹
Remuneration to Directors & Key Managerial Personnel		
Ankur Ashwin Shah	120.00	120.00
Sandeep Kadam	18.15	12.46
Suvendu Banerjee	14.26	11.28
Piyush Patel	8.84	-
Charmy Shah	2.10	-
Director Sitting fees		
Divyakant Zaveri	1.60	-
Preyal Shah	0.93	-
Jaykumar Toshniwal	0.93	-
Professional charges to Key Managerial Personnel		
Vasant Modak	0.90	1.80
Salary to Relatives of Directors and Key Managerial Personnel		
Chetan Dharia	4.80	4.80
Sarojini Kadam	6.62	7.14
Rakhi Banerjee	4.80	5.57
Foram Patel	1.37	-
Loan Taken		
Ashwin Natvarlal Shah	-	9.90
Ankur Ashwin Shah	829.03	297.69
Pallavi Ashwin Shah	34.53	35.13
Preyal Ankur Shah	28.53	19.59
Krish Commodities Private Limited	31.85	32.00
Ankur A Shah (HUF)	13.86	163.06
Ashwin N Shah (HUF)	9.49	169.84
Loan Repaid		
Ashwin Natvarlal Shah	80.60	88.66
Ankur Ashwin Shah	186.91	204.09
Pallavi Ashwin Shah	139.88	275.44
Preyal Ankur Shah	68.28	15.05
Krish Commodities Private Limited	-	32.00
Ankur A Shah (HUF)	155.34	98.20
Ashwin N Shah (HUF)	195.43	105.47
Interest on unsecured loan		
Ashwin N Shah (HUF)	10.54	9.55
Ankur A Shah (HUF)	9.29	7.85
Pallavi Ashwin Shah	9.03	27.73
Preyal Ankur Shah	2.63	3.24
Purchase		
Krish Industries Pvt Ltd	516.70	198.32
White Gold Technologies LLP	4.65	2.37
Sales		
Krish Industries Pvt Ltd	0.05	1.35
White Gold Technologies LLP	58.02	28.59
Jobwork Charges		
Krish Industries Pvt Ltd	-	0.34



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

CIN : U74900MH2013PLC248021

Rs. In Lakhs

Rent Expenses		
Krish Industries Pvt Ltd	27.60	27.60
Rent Income		
White Gold Technologies LLP	2.40	2.40
Reimbursement of Electricity expenses		
Krish Industries Pvt Ltd	60.80	30.89

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

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
Remuneration Payable		
Ankur Ashwin Shah	20.71	81.00
Sandeep Kadam	2.55	1.02
Suwendu Banerjee	2.08	0.86
Piyush Patel	1.76	-
Charmy Shah	0.75	-
Salary Payable		
Chetan Dharia	0.80	0.40
Sarojini Kadam	-	0.58
Rakhi Banerjee	-	0.49
Amount Payable		
Ashwin Natvarlal Shah	228.63	309.23
Ankur Ashwin Shah	888.63	246.51
Pallavi Ashwin Shah	-	105.35
Preyal Ankur Shah	-	39.75
Krish Commodities Private Limited	31.85	-
Ankur A Shah (HUF)	-	141.48
Ashwin N Shah (HUF)	-	185.94
Krish Industries Pvt Ltd	190.75	-
Hindustan Cables & Wires	0.53	0.53
Vasant Modak	-	0.22
Amount Receivable		
White Gold Technologies LLP	-	234.06
Krish Industries Pvt Ltd	-	26.12
Deposits		
Krish Industries Pvt Ltd - Rent Deposit	10.00	10.00
Hindustan Cables & Wires - Rent Deposit	0.51	0.51

30.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	As at
	31 March 2022	31 March 2021
	₹	₹
(a) The annual lease rent paid during the year	38.43	29.51
(b) The annual lease rent paid		
Not later than one year	28.80	17.14
Later than one year and not later than five year	100.80	-
Beyond five year	-	-



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)

CIN : U74900MH2013PLC248021

Rs. In Lakhs

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	As at
	31 March 2022	31 March 2021
	₹	₹
(a) The annual lease rent received during the year	2.40	2.40
(b) The annual lease rent receivable		
Not later than one year	3.06	2.78
Later than one year and not later than five year	5.47	11.45
Beyond five year	-	-

30.D Disclosures under Accounting Standards - 20 (Earnings Per Share) Computation of Earnings per share:

Particulars	2021-22	2020-21
	₹	₹
Profit available to Equity Share holders	245.89	186.24
Weighted average number of shares - shares Outstanding during the year before bonus issue(Nos.):	4,200,000	4,200,000
Add : Bonus Issue made (Nos.)	4,200,000	4,200,000
	8,400,000	8,400,000
Face Value per share	10	10
Basic Earnings per share	2.93	2.22
Diluted Earnings per share	2.93	2.22

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

Particulars	As at	As at
	31 March 2022	31 March 2021
	₹	₹
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	38.79	23.22
Tax effect of items constituting deferred tax liability	38.79	23.22
<u>Tax effect of items constituting deferred tax assets</u> On items disallowed u/s 43B of Income Tax Act, 1961	8.73	2.12
Tax effect of items constituting deferred tax assets	8.73	2.12
Net deferred tax (liability) / asset	(30.06)	(21.09)



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

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Rs. In Lakhs

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

Operating Segments

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

- Dairy & Kitchen equipment's segment
- Defence Products

Particulars	As at 31 March 2022			As at 31 March 2021		
	Dairy & Kitchen equipment's segment	Defence Products	Total	Dairy & Kitchen equipment's segment	Defence Products	Total
	₹	₹	₹	₹	₹	₹
Revenue						
External	1,417.57	3,574.35	4,991.92	1,070.43	2,432.23	3,502.66
Inter Segment	-	-	-	-	-	-
Total Sales & Operating Income	1,417.57	3,574.35	4,991.92	1,070.43	2,432.23	3,502.66
Other Income	8.42	6.46	14.88	22.23	61.96	84.19
Total Income	1,425.99	3,580.81	5,006.81	1,092.66	2,494.19	3,586.85
Segment Results	86.53	749.23	835.76	96.44	431.21	527.65
Add: Interest and Other Income			27.53			45.94
Less: other unallocable expenses			511.43			309.90
Profit Before Tax			351.86			263.69
Less: Taxes			105.97			77.45
Profit After Tax			245.89			186.24
Segment Asset	1,124.32	4,256.54	5,380.86	1,214.61	3,443.56	4,658.17
Unallocated Corporate Assets			1,400.54			973.35
Total Assets			6,781.40			5,631.52
Segment Liability	724.38	2,373.41	3,097.79	337.53	836.52	1,174.05
Unallocated Corporate Liabilities			1,271.68			2,628.38
Total Liabilities			4,369.47			3,802.43
Capital Expenditure	253.42	915.55	1,168.97	266.68	867.67	1,134.35
Unallocated Capital Expenditure			191.34			201.01
Total Capital Expenditure			1,360.31			1,335.36
Segment Depreciation	17.06	140.83	157.89	25.15	104.21	129.36
Unallocated Segment Depreciation			9.67			10.29
Total Segment Depreciation			167.56			139.65



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

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Rs. In Lakhs

NOTE NO. 31: Other Disclosures

31.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
		31 March 2022	31 March 2021
		₹	₹
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	151.48	152.67
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	5.00
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	25.22	5.00
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.	-	-

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

	Particulars	As at	As at
		31 March 2022	31 March 2021
		₹	₹
(a)	Amount Receivable	Rs. 30.68 \$0.46	Rs. 73.07 \$1.10
(b)	Advance received for supply of goods	-	Rs. 22.43 \$0.29 EUR 0.02

31.C Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as specified in Schedule VII of the Companies Act, 2013. The details of amount required to be spent and actual expenses spent during the year is as under:

- (a) Gross amount required to be spent by the company for the period ended (31st March, 2022 Rs. Nil) , (31st March, 2021 Rs. 6.35 Lakhs).
(b) Company is not required to spent any amount for CSR under section 135 of the Company Act, 2013 for the year, as the company's profit does not exceeds prescribed limit specified under section 135 of the Company Act, 2013 for preceding the company during preceding three years.
(c) Amount spent are as under:

SN	Particulars	Year ended	Year ended
		31 March 2022	31 March 2021*
		₹	₹
1	Construction / Acquisition of Assets	-	-
	- In cash	-	-
	- Yet to be paid in cash	-	-
2	On purpose other than (i) above	-	15.50
	- In cash	-	-
	- Yet to be paid	-	-

* Out of above, Rs. 8.79 Lakhs is pertaining to FY 2019-20.

SN	Particulars	Year ended	Year ended
		31 March 2022	31 March 2021*
	Shortfall at the end of the year	-	-
	Total of previous years shortfall	-	-
	Reason for shortfall,	NA	NA
	Nature of CSR activities	NA	Health
	Details of related party transactions	NA	NA
	Movements in the provision during the year	NA	NA



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

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Rs. In Lakhs

31.D Trade Payable Ageing summary

SN	Particulars	Less than 1 year	1-2 years	2-3 Years	More than 3 Years	Total
		₹	₹	₹	₹	₹
	As at 31 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	-	-	-	-	-
		1,340.40	19.69	9.25	30.30	1,399.63
	As at 31 March 2021					
(i)	MSME	137.03	13.05	2.58	0.01	152.67
(ii)	Others	450.76	9.42	60.04	0.02	520.24
(iii)	Disputed Dues - MSME	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-
		587.79	22.46	62.63	0.03	672.91

31.E 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 31 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
	As at 31 March 2021						
(i)	Undisputed Trade Receivable - Considered Good	866.31	22.44	127.60	152.07	74.53	1,242.95
(ii)	Undisputed Trade Receivable - Considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivable - Considered Good	-	-	77.84	-	-	77.84
(iv)	Disputed Trade Receivable - Considered doubtful	-	-	-	-	-	-
	Total	866.31	22.44	205.44	152.07	74.53	1,320.79



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KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

(formerly known as Krishna Allied Industries Limited)
CIN : U74900MH2013PLC248021

Rs. In Lakhs

31.F Accounting Ratios

SN	Particulars	Numerator	Denominator	2021-22	2020-21	Variance (%)	Reason
1	Current Ratio (in times)	Current Assets	Current Liabilities	1.47	1.82	-19.19%	-
2	Debt-Equity Ratio (in times)	Total Debt	Shareholder's Equity	1.11	1.40	-20.43%	-
3	Debt Service Coverage Ratio (in times)	Earnings available for debt service	Debt Service	0.49	0.70	-30.15%	Due to Repayment of loans in current year
4	Return on Equity Ratio (in %)	Net Profits after taxes	Average Shareholder's Equity	12.60%	10.83%	16.27%	-
5	Inventory Turnover Ratio (in times)	Revenue from operations	Average Inventory	3.22	1.95	64.94%	Increase in turnover and decline in average inventory holding period
6	Trade Receivables turnover ratio (in times)	Revenue from operations	Average Accounts Receivable	2.85	2.76	3.14%	-
7	Trade Payable turnover ratio (in times)	Cost of sales + Other Expenses	Average Trade Payables	3.30	2.76	19.27%	-
8	Net capital turnover ratio (in times)	Revenue from operations	Average Working Capital	2.78	1.95	42.30%	Due to Increase in turnover and optimisation of working capital
9	Net profit ratio (in %)	Net Profit after tax	Revenue from operations	4.93%	5.32%	-7.36%	-
10	Return on Capital employed (in %)	Earning before interest and taxes	Capital Employed	12.19%	9.78%	24.62%	-
11	Return on investment (in %)	$\frac{MV(T1) - MV(T0) - \text{Sum } [C(t)]}{[C(t)]}$	$\frac{[MV(T0) + \text{Sum } [W(t) * C(t)]]}{[C(t)]}$	NA	NA	NA	-

31.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-21	Axis Bank / Standard Chartered Bank	Inventory	1,732.29	1,732.29	-	-
Jun-21	Axis Bank / Standard Chartered Bank	Book Debts	1,145.34	1,218.63	73.29	Unidentified credits were cleared after the stock statement submitted with banks
Jun-21	Axis Bank / Standard Chartered Bank	Trade Payable	374.91	372.35	(2.56)	-
Sep-21	Axis Bank / Standard Chartered Bank	Inventory	1,555.45	1,188.29	(367.16)	Dispatch made after the cut of date for which sales invoices made in September 21 were reversed from sales, which resulted into increase in stock as per books and decline in Book debts
Sep-21	Axis Bank / Standard Chartered Bank	Book Debts	1,199.46	1,720.56	521.10	-
Sep-21	Axis Bank / Standard Chartered Bank	Trade Payable	370.70	375.42	4.72	-
Dec-21	Axis Bank / Standard Chartered Bank	Inventory	1,438.93	1,438.93	-	-
Dec-21	Axis Bank / Standard Chartered Bank	Book Debts	1,121.43	1,672.93	551.50	Unidentified credits were cleared after the stock statement submitted with banks
Dec-21	Axis Bank / Standard Chartered Bank	Trade Payable	382.76	434.84	52.08	Payments made to creditors were accounted in respective party's ledger account after the statement submitted to banks.
Mar-22	Axis Bank / Standard Chartered Bank (refer below note (i))	Inventory	-	-	-	-
Mar-22	Axis Bank / Standard Chartered Bank (refer below note (i))	Book Debts	-	-	-	-
Mar-22	Axis Bank / Standard Chartered Bank (refer below note (i))	Trade Payable	-	-	-	-

Note

(i) Company has not submitted the statement of current asset with the bank for the March' 2022.



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Rs. In Lakhs

31.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	Relationship with the Struck off company
Ferroclad Solutions Private Limited	Rent on Plant & Machinery	-	No
Shivshakti Barrels Pvt. Ltd	Purchase of Goods	0.08	

(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. 32: Prior period Items

SN	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	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. 33: 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 31 March 2022	As at 31 March 2021
	Opening Balance	19.22	25.70
	Add: Provision created during the year	-	-
	Less: Provision reversed during the year	(4.43)	(6.47)
	Total	14.80	19.22



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NOTE NO. 34: Disclosure related to Initial Public Offer (IPO)

During the year, the company had shown its interest to go for Initial public offer by filing Draft Red Herring Prospectus dated 11th February, 2022 with SME platform of National Stock Exchange (NSE) i.e. NSE Emerge. The company received the In-principle Approval from NSE as on 10th March, 2022. In pursuance to the in-principle approval company has filed Red Herring Prospectus dated 16th March, 2022 with National Stock Exchange (NSE), Security and Exchange Board of India (SEBI) and Registrar of Company (RoC). The Issue opened as on 25th March, 2022 and closed as on 29th March, 2022. 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. The company 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.

NOTE NO. 35:

The financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 27th May, 2022. The financial statements as approved by the Board of Directors are subject to final approval by its Shareholders.

NOTE NO. 36: 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-100036

Alok Shah

Alok Shah
Partner
Mem no. 042005
Vadodara, 27th May, 2022



For and on behalf of the Board of Directors
Ankur Ashwin Shah
Ankur Ashwin Shah
Managing Director
DIN : 01166537
Place: Mumbai

Charmy Shah
Charmy Shah
Company Secretary
Place: Vadodara

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

Piyush Hanuman Patel
Piyush Hanuman Patel
Chief Financial Officer
Place: Vadodara

Date: 27th May, 2022