

ANNUAL REPORT
2023-24



STRENGTHENING DEFENCE EMPOWERING INDIA



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Aligned with the Make in India and Atmanirbhar Bharat initiatives by our government, our foremost priority has been strengthening India's defence capabilities with the assistance of innovation, strategic partnerships and operational excellence.

Ankur Shah
Managing Director



Strengthening Defence Empowering India

For more than two decades, we have utilised our core strength to deliver innovative, cost-efficient and cutting-edge engineering solutions for diverse sectors. Leveraging our emphasis on delivering 'Make in India' solutions, we remain committed to fulfil the government's vision of supporting indigenous manufacturing and reducing the country's dependence on imports. It is this emphasis that has enabled us to establish a strong defence portfolio, dedicated to the development of critical components for Indian Navy Warship and specialised products for the Indian Army.

Our state-of-the-art manufacturing facilities enables us to deliver tailored solutions that meet the demands of modern defence and homeland security. Backed by our robust R&D efforts, we continue to design and develop innovative products that bolster the country's defence while empowering India for a better future.

Over the years, we have sharpened core competencies related to product prototype, design and development, functional testing, validation and field testing to serve a wide array of verticals from defence to dairy. Our in-depth knowledge of metallurgy, precision machining, assembly and specialised fabrication facilities have enabled us to meet the evolving demands of our clients and steer the company towards new heights of excellence.





At a Glance

Krishna Defence and Allied Industries Limited (KDAIL) has emerged as a formidable player in the defence segment. Emphasizing 'Make in India' solutions that significantly minimise dependence on imports, we leverage our manufacturing prowess to meet the evolving demands of modern defence.

Our technical acumen and expertise across diverse domains encompassing Specialised Steel Component, Welding Wire and Complex Alloy Products have enabled us to build a substantial order book. Our state-of-the-art manufacturing facilities and robust research and development capabilities enable us to develop a wide range of critical products. It has empowered us to foster comprehensive in-house capabilities for designing, developing and manufacturing a wide range of equipment for Defence and Dairy.

250+

Employees

₹2,300 Mn

Order book

₹200 Mn

Capex

28

Engineers

₹1,064.28 Mn

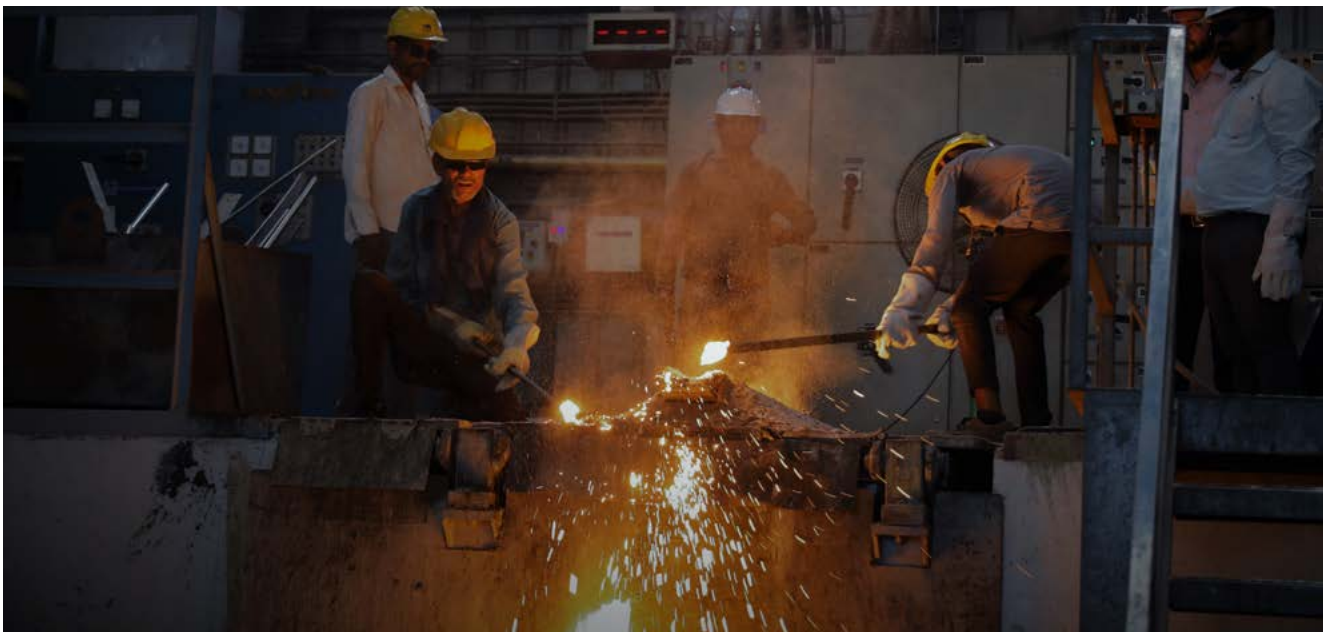
Revenue from Operations

Two

Manufacturing facilities

67.20 %

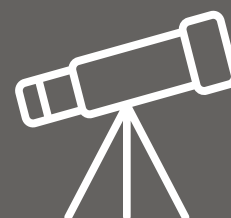
YoY revenue growth



CORPORATE PHILOSOPHY**Mission**

Our ongoing commitment is to deliver innovative, cost-efficient, and cutting-edge engineering solutions enhanced by the latest technology, benefiting organizations and end-users alike. Furthermore, we are dedicated to fulfilling the Atmanirbhar Bharat vision, promoting self-reliance and reducing dependency on imported products.

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

**Vision**

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

**Values**

Our Presence

KALOL

Manufacturing
of “Dairy Equipment”



40,000 sq. ft.

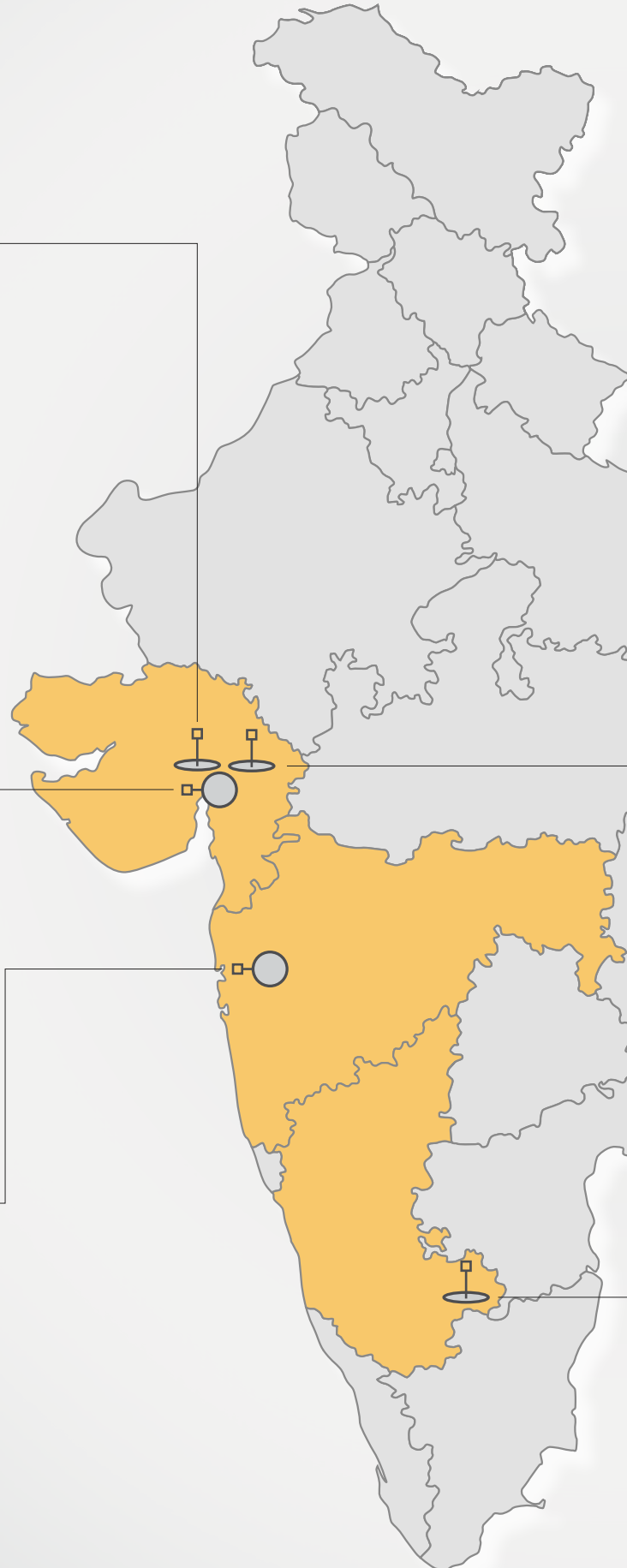
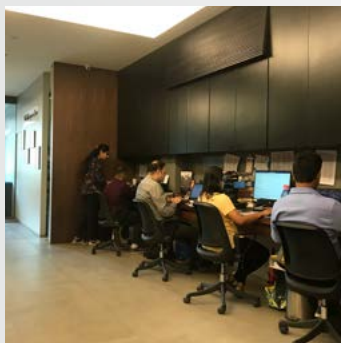
VADODARA

Regional Office



MUMBAI

Head Office



HALOL

Manufacturing of “Defense Application Products”



60,000 sq. ft.

BENGALURU

Electronics Manufacturing
& Testing Lab



2,000 sq. ft.

Milestones



ESTABLISHMENT AND EARLY DEVELOPMENT

1997

Founded; started manufacturing stainless steel milk cans.



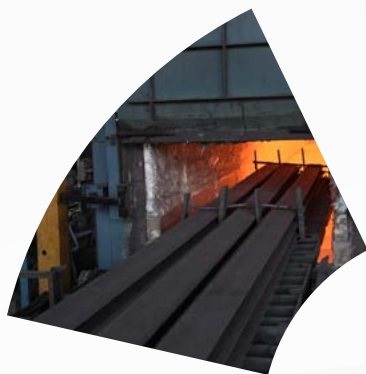
EXPANSION INTO DEFENCE SECTOR

2006

Entered the defence sector; developed shipbuilding steel sections for the Indian Navy.

2008

Recognised by DMRL, Hyderabad, for developing bulb bars used in naval warships.



STRATEGIC PARTNERSHIPS AND TECHNOLOGICAL ADVANCEMENTS

2014

Awarded the Defence Technology Absorption Award by the Ministry of Defence.

2017

Received ABS certification for manufacturing steel sections for marine applications; ventured into homeland security equipment.



RECENT DEVELOPMENTS AND LISTING

2020

Signed three ToT agreements with DIPAS (DRDO); delivered ballast bricks to the Indian Navy; ventured into homeland security equipment.

2021

Awarded the INDIA SME 100 Award by the India SME Forum and Ministry of MSME.

2022

Listed on NSE Emerge

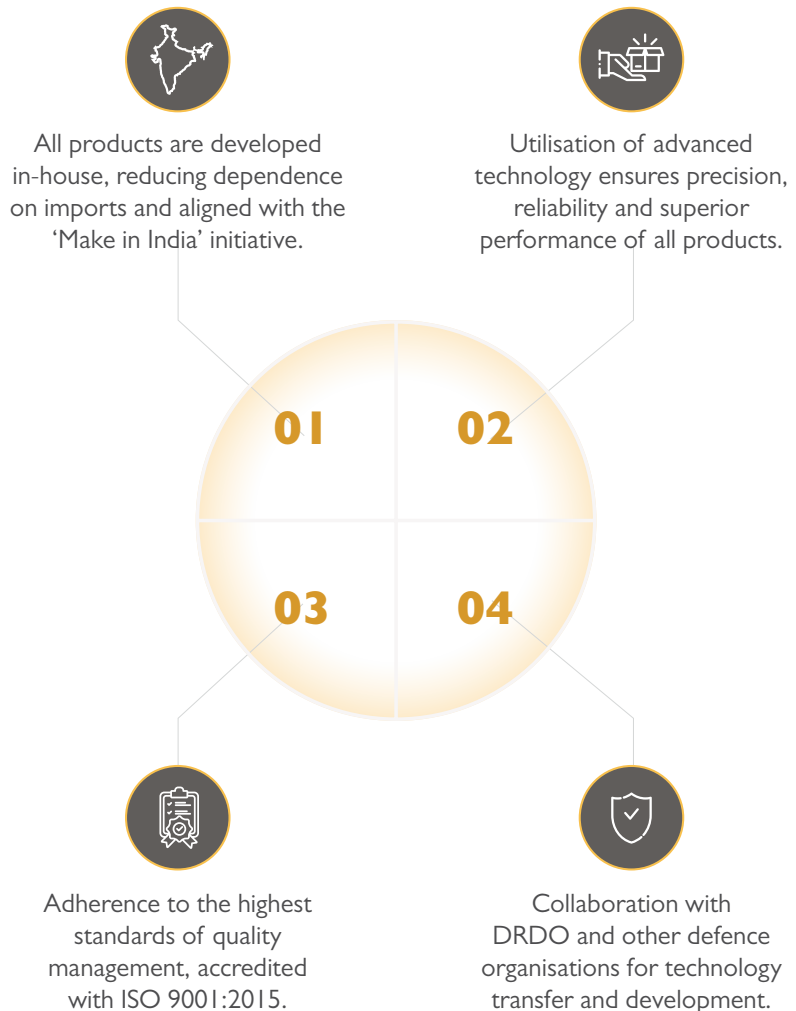
2023

Formed an associate company Waveoptix Defence solution pvt ltd in Bangalore for electronic tactical communication converters specialising in optic fibre over radio frequency.

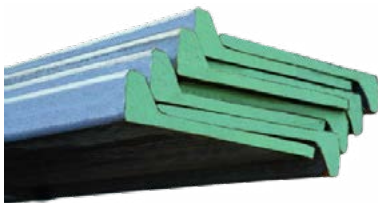
Our Extensive Product Portfolio

Krishna Defence and Allied Industries Limited. is a leading innovator and manufacturer of **precision-engineered solutions**, catering to the critical requirements of the Indian defence and dairy sectors. Our portfolio comprises indigenously developed products that leverage advanced technology. This focus aligns with the country's emphasis on creating 'Atmanirbhar Bharat' and reducing dependence on imports .

Unique Selling Propositions (USPs)



Defence products



Ship Building Steel Sections

Specialised steel sections used as stiffeners for hull construction of naval warships.

Key Features

High tensile strength, low magnetic signature, high corrosion resistance, enhanced durability.

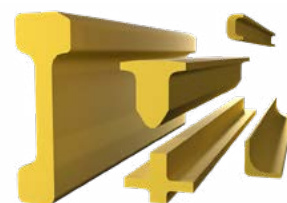


Special Steel Alloy Ballast Bricks

Complex alloy ballast bricks developed for critical naval platforms.

Key Features

Exceptional toughness, high strength, effective counterweight and balanced solutions.



Heavy Vehicle Factory Steel Profile

Specialised steel profiles for armoured vehicles.

Key Features

Exceptional toughness, high strength, effective counterweight and balanced solutions.



Special Steel Alloy Welding Wire

High tensile and high impact toughness welding wire.

Key Features

Complete shielding of weld arc, moisture-free weld joints, high tensile strength.



Welding Electrodes

Specially developed fused flux for SAW welding.

Key Features

Suitable for all arc-welding, high tensile weld joints, moisture-free welding process.



Improved Space Heating Device (Bukhari)

Fuel-efficient traditional Bukhari, used at high altitudes.

Key Features

Almost zero carbon monoxide emission, safe and effective heating in extreme cold.



Modular Vehicle Barrier

Prevents intruding vehicles, ensuring safety of large gatherings.

Key Features

Effective against lone wolf attacks, enhances security.



IED Containment Vessel

One-time use, cost-effective vessel to contain detonation effects of IEDs.

Key Features

Capable of containing detonation effects of up to 6kg IED, bolsters security premises.



Dairy products



Stainless Steel Milk Cans

Made of food-grade AISI 304 stainless steel, capacities ranging from 5L to 50L.

Key Features

Strong, sturdy, easy to use and clean, corrosion and crack resistant, extends shelf life of milk.



Robotic Milk Collection Unit (RMCU)

Automated milk analysis and collection apparatus.

Key Features

Measures milk parameters, detects adulteration, eliminates manual handling.



Milk Cooling Tanks

Used by dairies for cooling milk during procurement, capacities from 300L to 10,000L.

Key Features

Energy-efficient, multiple cooling circuits, microprocessor-controlled efficiency.

Managing Director's Communique

STRENGTHENING DEFENCE EMPOWERING INDIA



In the year under review, we have achieved remarkable financial success. Our revenue reached ₹1,064.28 million, reflecting a 67.20% growth, while our profit after tax surged by 84.86% to ₹97.90 million. The EBITDA margin increased to 14.51%, and the PAT margin improved significantly. A robust pipeline of orders worth ₹230 crores and expected future orders provide a sturdy base for future expansion. We have revised our target growth rate to 40% year-on-year for the next three years, reflecting our confidence in sustaining our growth trajectory.



DEAR SHAREHOLDERS,

India's defence capabilities are being bolstered through strategic investments and subsequent developments in cutting-edge technologies. As the country continues to rise as a global power, the efforts to modernize its defence capabilities is essential to deter potential threats. As a leading manufacturer of defence equipment, Krishna Defence is proud to play a critical role in India's defence capabilities. Our cutting-edge technologies, innovative solutions and expertise in production are empowering the Indian defence sector to safeguard the nation.

As I look back on the year gone by, it has been a milestone year for us. We have notably achieved the highest-ever revenue and profit, complemented by significant order inflows. We have successfully managed a heavy workload, while also introducing new product lines and successfully supplying bulk quantities to the Indian Army.

Aligned with the Make in India and Atmanirbhar Bharat initiatives by the Indian government, our foremost priority has been strengthening India's defence capabilities with the assistance of innovation, strategic partnerships and operational excellence. Our strong focus on R&D, coupled with our collaboration with DRDO and other leading institutions, ensure that we stay at the forefront of innovation in our industry.

We remain committed to consistently pushing boundaries, developing advanced solutions like secured communications through optical fibre systems, remotely operated underwater vehicles (ROVs) for hull survey and other applications, and composite Doors and Hatches for Ships & critical platforms. Our relentless pursuit of excellence was acknowledged by Defence Technology Absorption Award (DTA) for developing critical bulb bars for the Indian Navy. This award underscores our ability to deliver high-quality products that meet the demanding standards of defence applications.

Underlying these accomplishments, lies a well-built foundation. Our state-of-the-art manufacturing infrastructure, coupled with our dedicated team of over 250 employees, thrusts us to uphold the highest standards in the production of defence equipment.

In the year under review, we have achieved remarkable financial success. Our revenue reached ₹1,064.28 million, reflecting a 67.20% growth, while our profit after tax surged by 84.86% to ₹97.90 million. The EBITDA margin increased to 14.51%, and the PAT margin improved significantly. A robust pipeline of orders worth ₹230 crores and expected future orders provide a sturdy base for future expansion. We have revised our target growth rate to 40% year-on-year for the next three years, reflecting our confidence in sustaining our growth trajectory.

At KDAIL, we uphold the most rigorous standards of corporate governance principles, ensuring transparency, accountability, and ethical business conduct. Our board of directors and committees provide oversight ensuring excellence in governance and trust of shareholders.

Looking ahead, we are aligning our vision with India's long-term goal of a robust public-private partnership in defence production. To meet the ever-evolving demands of the defence sector, we have begun exploring new frontiers through Electronic Warfare systems(EWS), communication technologies and development of new age material like Composites . Our support for emerging startups and the launch of our own defence electronics division in Bengaluru is a testament of our innovative spirit.

The confluence of a rising defence budget and the Indian Navy's modernisation endeavours contribute to bright prospects for the sector. We are poised to capitalise on these emerging opportunities with a robust pipeline of projects

and a clear roadmap aimed at expansion. This includes doubling our existing manufacturing capacity. In order to fulfil this ambitious objective, we are investing around ₹12 to 15 crores in a new facility solely dedicated to the production of weld consumables and bulb bars. Additionally, we plan to solidify our partnership with WAVEOPTIX Defence Solutions by increasing our stake.

Our strategy is built on the conviction that talent acquisition and product diversification will fuel our growth prospects. We are actively pursuing both avenues, while also exploring the exciting possibility of exporting our bulb bars, subject to regulatory approvals.

At Krishna Defence, we are focused to deliver sustainable growth and long-term value for our stakeholders. By leveraging our core strengths, we aim to seize the opportunities presented by the evolving market climate and government initiatives. We remain committed in diligently applying ourselves to strengthen our capabilities and drive sustainable, profitable growth.

I would like to take this opportunity to extend my heartfelt gratitude to our shareholders, employees, customers and partners for their unwavering support and trust in our Company.

Warm regards,

ANKUR SHAH

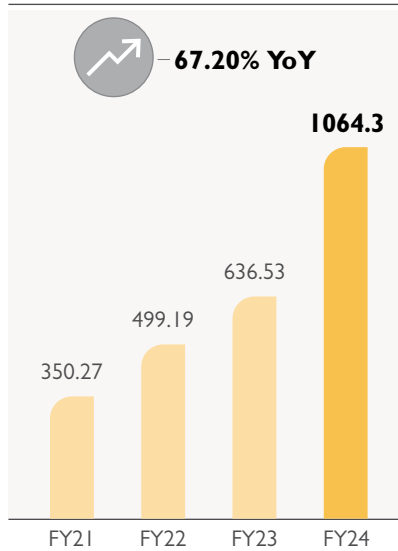
Managing Director

Krishna Defence and Allied Industries Limited

Financial Performance

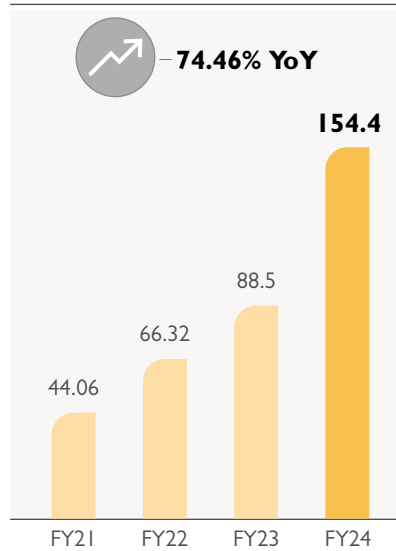
OPERATING REVENUE

(₹ Mn)



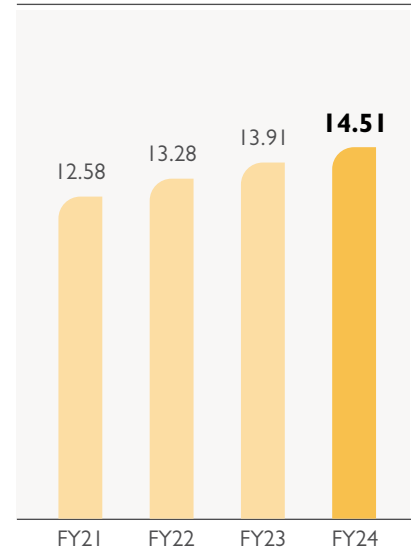
EBITDA

(₹ Mn)



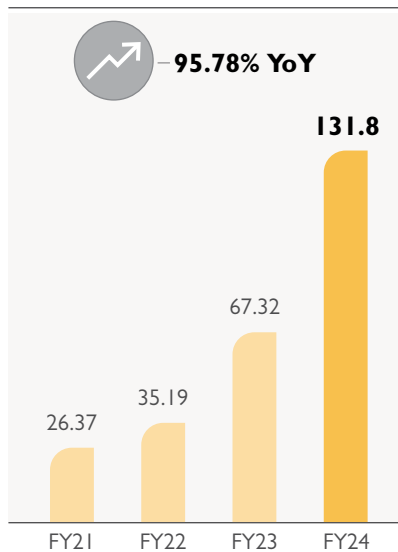
EBITDA MARGIN

(%)



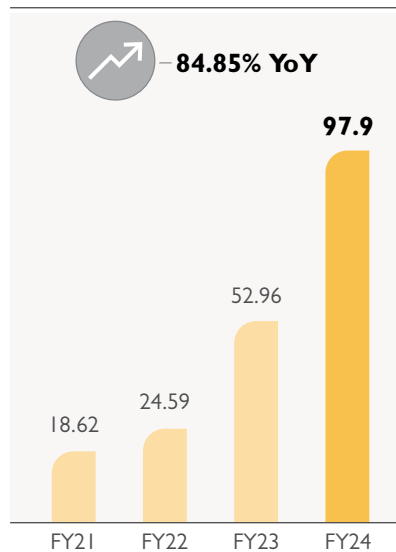
PROFIT BEFORE TAX

(₹ Mn)



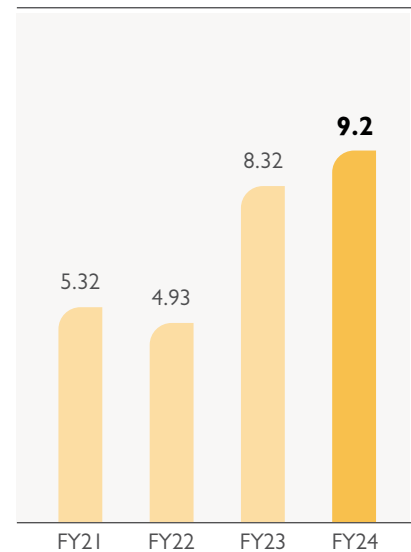
NET PROFIT

(₹ Mn)



NET PROFIT MARGIN

(%)



Retaining our competitive edge

We achieved our highest-ever revenue, with a 67% year-on-year increase and our profit increased by 84%, year-on-year. This growth was primarily driven by the execution of large orders and the successful introduction of new product lines. FY24 also witnessed the highest order inflow in our history, reflecting strong market demand and our ability to handle large order volumes. To ensure timely completion of projects, we made investments to enhance our production capacity and introduce new products to our portfolio.

Incorporating advanced machinery and technological upgrades has significantly improved production efficiency and product quality. These advancements have enabled us to meet the stringent requirements of defence contracts and retain our competitive edge.



Factors driving financial performance



Market Positioning

Growth of the Indian defence sector, supported by government initiatives to enhance domestic manufacturing, has created an opportune environment for defence players such as KDAIL. We are poised to benefit from emerging opportunities.



Government Contracts and Partnerships

Increased defence spending and emphasis on 'Make in India' initiative has enabled us to secure government contracts and strengthen our order book.



Capacity Augmentation

To meet growing demand, we have made investments for capacity expansion. This includes procurement of advanced machinery such as induction furnaces and heat treatment equipment, to enhance our manufacturing capability and support large order execution.



Expansion Plans

We are in the process of acquiring ~ 40,000 square feet land for the installation of a new production line for our existing products. It is expected to drive capacity expansion and improve operational efficiency.



Joint Ventures and New Product Lines

- We are in advanced talks to form a joint venture with a Netherlands-based company specialising in composite doors and hatches. This partnership aims to improve our export portfolio and diversify our offerings further.
- FY24 also saw the introduction of a new category of special alloy long products for T-90 tanks, marking the commencement of bulk supply to the Indian Army.

Ensuring Operational and Manufacturing Efficiency

We leverage advanced manufacturing processes and stringent quality control measures to ensure the quality of our products. Collaborations with industry leaders and research institutions has further enabled us to develop innovative defence solutions. Our focus remains on expanding our capabilities to effectively meet the evolving demands of our clients and the industry.

Major Projects

Weld Consumables for Critical Platforms

Developing weld consumables with complex chemistry for critical defence platforms.

Increasing production of special grade weld consumables like electrodes and welding wires required in large volumes for shipbuilding.



Upcoming Projects for FY25



Composite Doors and Hatches for the Indian Navy



Super Alloy Grade Weld Consumables for BARC and ISRO



Defence Electronics

Development of optic fibre over radio frequency (RFoF) technology for long-distance and secure transmission.

Quality control measures



ISO 9001:2015 Certification

Ensures adherence to international quality standards.



In-House Testing Facilities

NABL approved facilities for rigorous quality checks on material properties, durability and performance.



Skilled Workforce

Continuous training and development for our team of engineers and metallurgists.

Recent Upgrades and Expansions

- Increased production capacity with advanced machinery such as customized furnaces heat treatment equipments wire drawing machines and induction machines.
- Integration of CNC machining, automated welding and precision fabrication to enhance product quality and efficiency.

Advanced manufacturing processes



In-House Capabilities

Comprehensive capabilities for designing, developing and manufacturing a wide range of equipment.



Heat Treatment Plant

Installed for producing shipbuilding steel sections like Bulb Bars, essential for the Indian Navy.



Prototyping and Validation

Emphasis on product prototyping, functional testing, validation and field testing to make sure that new products meet stringent requirements.



ERP-Based Procurement

Streamlined inventory management and financial planning through an ERP-based system.



Research and Development (R&D)

Continuous investment in new technologies and products, such as food containers for extreme cold conditions and space heating devices (Bukhari).



Manufacturing Plants

Two plants located in Kalol and Halol, Gujarat, focused on dairy and defence products respectively, both equipped with ISO 9001:2015 certified quality management systems.

Waveoptix

an Associate Company Investment

Waveoptix Defence Solution Private Limited an associate company of KDAIL, the collaboration is to enhance our technological capabilities and product offerings in Electronics for the defence sector. The collaboration supports the 'Make in India' initiative, enabling us to offer advanced communication solutions, expand our market reach, and maintain a competitive edge in delivering high-performance defence products.



Focus

Optic Fibre over Radio Frequency (RFoF) for secure long-distance signal transmission.



Key Projects

- Bi-Directional RFOF for HF/VHF/UHF Radio.
- Multi-Link RF over Fiber for Submarine Radio Communication.
- Antenna Remoting System for RF Search Receiver Systems (1.5MHz to 3GHz).
- Multiple channel phase matched RFoF Link for EW COMINT DF Systems.



Capabilities

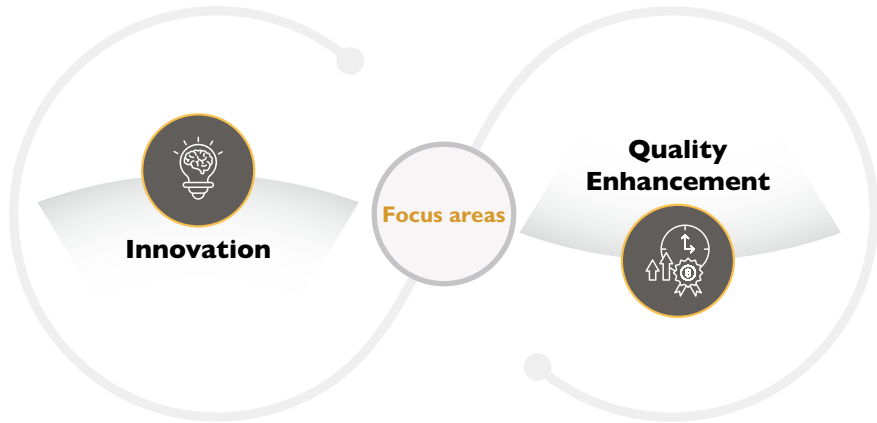
- Comprehensive RF testing facility (9KHz to 44GHz) and optical manufacturing.
- Expertise in LAND, NAVAL, and AIR qualified systems.
- Swift prototyping and end-to-end system realization.

Achievement

Successfully developed and supplied the first indigenously developed bidirectional RF Over Fibre module for radio mesh network, specifically tailored to the needs of the Indian Defence industry, within six months of the acquisition.

► Fostering Research and Development

At Krishna Defence, our cutting-edge R&D programme fuels innovation and empowers us to develop advanced solutions for the defence industry.



Investment in Advanced Equipment

We have significantly invested in state-of-the-art machinery, including induction furnaces and heat treatment equipment, to enhance our production capabilities. These investments are crucial for maintaining high precision and quality control in our manufacturing processes.

₹ ~150 Mn

Investment



Collaborations and Partnerships

We understand the importance of collaboration and partnerships in advancing our R&D capabilities. To this end, we have established strong relationships with various organisations and industry leaders. These partnerships allow KDAIL to leverage the expertise of external specialists, creating a culture of innovation and ensuring the integration of cutting-edge technologies into our defence solutions.

► Defence Research and Development Organisation (DRDO)

We collaborate with DRDO on various projects, leveraging their expertise to develop cutting-edge technologies.

► Innovations for Defence Excellence (IDEX) and ADITI Challenges

Our participation in these initiatives helps us create innovation and integrate new technologies into our products.

► Industry Associations

We are involved with the Society of Indian Defence Manufacturers (SIDM) and the Confederation of Indian Industry (CII), which provide platforms for knowledge exchange and staying updated with industry trends.



New Product Development



IED Containment Vessel

Its Importance

Enhances safety measures for security forces by containing the effects of up to 6kg IED detonation



Special Alloy Long Products for T-90 Tanks

Its Importance

Enables bulk supply to the Indian Army, strengthening domestic defence capabilities.



Composite Doors and Hatches (Joint Venture)

Its Importance

Diversifies the product range and helps to enhance reach in new export markets.

Recent breakthroughs



Enhanced Space Heating Device

- Developed a fuel-efficient Bukhari with nearly zero carbon monoxide emission
- Critical for the Indian Army in high-altitude regions
- Collaborated with R&DEE and DRDO to develop a vessel containing the effects of up to 6kg IED detonation.
- Enhances safety measures for security forces.



Modular Vehicle Barrier

- Designed to prevent intruding vehicles and ensure safety of places with large gatherings.
- Used by security forces to mitigate lone wolf attacks.

Key R&D capabilities

- Our R&D team is adept at designing and engineering products that meet stringent defence requirements. This includes detailed product simulations, prototyping, and functional testing to ensure reliability and performance.
- We have robust capabilities in prototyping and testing new products. Our facilities are equipped with advanced tools and technologies that enable rapid development and iteration of new ideas.
- Our R&D personnel are encouraged to explore new concepts and technologies, developing a culture of continuous innovation. This approach ensures that we remain at the forefront of technological advancements in the defence sector.

Maintaining a Culture of Innovation

We cultivate an environment of learning and professional development among our R&D staff through regular training sessions and workshops, ensuring they stay updated with the latest technological trends. By promoting a collaborative work environment, we encourage team members to share ideas and work together on projects. Additionally, our R&D department is equipped with state-of-the-art tools and technologies, enabling rapid development and testing of new products, thus supporting our commitment to innovation.

Future plans for R&D expansion



Capacity Augmentation

We are expanding our production facilities by acquiring adjacent land and installing new production lines. This expansion will enable us to meet the growing demand for our products.



Strategic Joint Ventures

Our joint venture with Netherland based company will not only cater to the Indian market but also explore export potential. This collaboration is expected to drive significant growth in our product offerings.



Focus on Emerging Technologies

We are investing in emerging technologies such as RF/Microwave/Optics systems for defence applications. This includes designing, developing and manufacturing advanced systems to meet future defence requirements.

◀ Bolstering our Supply Chain

Amidst global supply chain disruptions, we have proactively implemented strategies to ensure the stability and resilience of our supply chain. We have diversified our supplier base to mitigate the risk of dependence on a single supplier. By collaborating with multiple suppliers, we reduce the potential impact of geopolitical issues, natural disasters or other unforeseen events on our supply chain.

To maintain optimum stock levels, we have implemented advanced inventory management systems. These systems incorporate just-in-time inventory practices and safety stock policies, ensuring the availability of critical components at all times.

Innovations and improvements in supply chain processes

In the past year, we introduced a digital supply chain management platform that offers end-to-end visibility. This platform enables real-time tracking of shipments, inventory levels and supplier performance. Additionally, our adoption of blockchain technology has enhanced transparency and traceability in our supply chain, ensuring that all transactions are secure and verifiable.



Ensuring quality and reliability

To ensure the quality and reliability of our suppliers and sourced materials, we have implemented several rigorous measures:

01

We leverage our extensive in-house capabilities for designing, developing and manufacturing a wide range of equipment across various sectors.

02

Our production of critical assemblies and precision components is executed with meticulous attention to metallurgy and precision machining, supported by specialised fabrication facilities and multi-level inspections.

03

We conduct a series of inspections throughout the production process, including product design and development, functional testing, validation, field testing and verification.

Supplier certification and testing

We require our suppliers to provide testing certificates for raw materials and components, including results from mechanical testing, chemical analysis and other relevant tests. These rigorous procedures ensure that all sourced materials meet our specified quality standards.



Embracing Digitisation

In the past year, at Krishna Defence & Allied Industries Limited (KDAIL), we have embarked on significant digital transformation initiatives to enhance our operational efficiency and product quality.



ERP System Integration

We successfully implemented an advanced ERP (Enterprise Resource Planning) system, which integrates various functions such as procurement, inventory management, production planning and finance. This system has been pivotal in streamlining our operations, enhancing overall efficiency and transparency.

Impact on Operational Efficiency and Product Quality

The ERP system has greatly improved our operational efficiency by providing real-time data and analytics, facilitating better decision-making and resource management. Additionally, we have seen marked enhancements in product quality due to the improved tracking and management of production processes, ensuring consistency and adherence to stringent quality standards.

Future Digital Initiatives

Looking ahead, we plan to implement advanced data analytics and IoT (Internet of Things) technologies. These initiatives aim to further optimise our production and supply chain processes. We anticipate that these efforts will result in higher operational efficiency, reduce downtime and enhance predictive maintenance capabilities, thereby improving performance and increasing customer satisfaction.



Building an Empowered Workforce

At Krishna Defence & Allied Industries Limited (KDAIL), we are committed to attracting and retaining top talent through a multifaceted approach. We offer competitive salaries, comprehensive benefits packages, and performance-based bonuses to attract high-quality candidates and keep our people motivated.

By involving employees in the decision-making process, we strive to improve employee engagement and create a sense of belonging.

Diversity and inclusion

Over the past few years, KDAIL has experienced significant growth and diversification. We currently employ a diverse and skilled workforce comprising engineers, technicians and support staff. Our team includes 28 skilled engineers and a dedicated workforce of 250+ individuals from diverse backgrounds.

To ensure a positive and inclusive workplace culture, we promote diversity in hiring, create a conducive working environment where our people feel valued and respected. A diverse workforce brings varied perspectives, fosters innovation and improves problem-solving capabilities, which leads to increased productivity and business success.



Upskilling initiatives

With a strong focus on R&D and innovation, we have invested in upskilling our workforce to keep pace with technological advancements and industry demands. This includes training in precision engineering, metallurgy and advanced manufacturing processes.

HR policies and practices for employee well-being

At KDAIL, we prioritise the well-being of our employees through several HR policies and practices. We provide comprehensive health insurance coverage for our people and their families. Additionally, we offer performance-based incentives to motivate and recognise the hard work and dedication of our people.

Health and Safety Measures

The health and safety of our employees are paramount. We have implemented comprehensive systems and protocols to ensure a safe working environment:



Mandatory Safety Training

We provide mandatory safety training for all employees, including training on the proper use of personal protective equipment (PPE), emergency procedures and safe work practices.



Personal Protective Equipment

We ensure that all employees have access to necessary PPE such as helmets, gloves, safety glasses and high-visibility clothing.



Safety Signage and Hazard Labelling

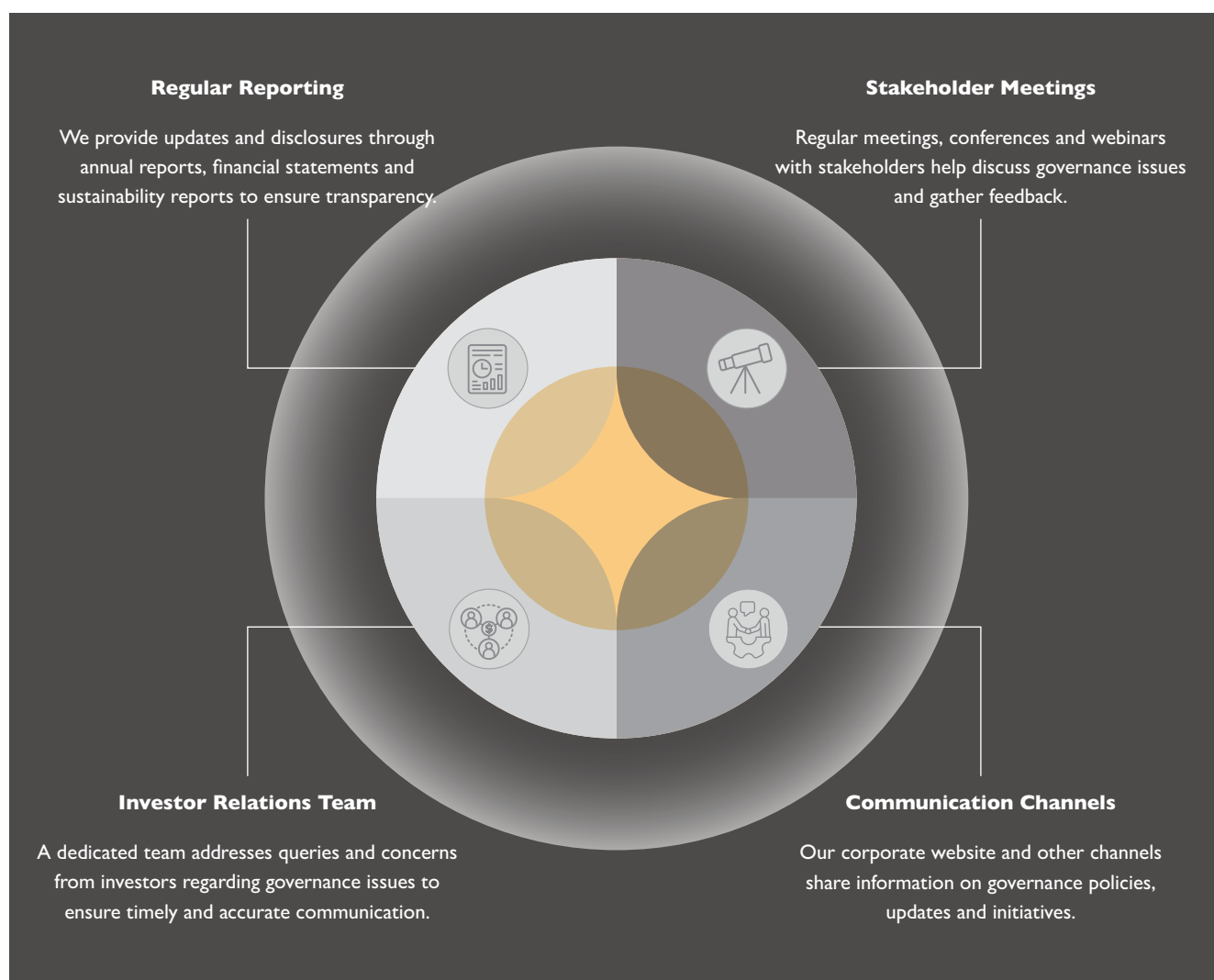
We clearly label all hazardous material and equipment and place appropriate safety signage throughout the workplace.

Governance

We ensure ethical and responsible business conduct through a comprehensive governance framework. We have established a code of conduct that outlines the premises of ethical behavior at KDAIL. Our corporate governance policies such as Prevention of Sexual Harassment, Prohibition of Insider Trading, and the Nomination and Remuneration Policy have been developed to create a fair and transparent working environment. The Board of Directors, along with the audit and compliance committees, actively oversee corporate governance practices.

Compliance with Industry Standards

We maintain a robust regulatory compliance framework to monitor and ensure adherence to all relevant industry standards and legal requirements. Regular internal and external audits are conducted to ensure compliance and identify areas of improvement. Dedicated compliance committees oversee compliance-related activities, ensuring prompt incorporation of regulatory changes into company policies.



Board of Directors



Mrs. Preyal Shah

Chairperson & Additional
Non-Executive Director



Mr. Ankur Shah

Managing Director



Mr. Sandeep Kadam

Director Operations



Mr. Divyakant Zaveri

Independent Director



Mr. Jaykumar Toshniwal

Independent Director

Senior Management



Mr. Ankur Shah

Managing Director



Mr. Sandeep Kadam

Director Operations



Mr. Piyush Patel

CFO



Mr. Ravindranatha Maroli

General Manager



Mr. Rohit Shintre

Product Development Head



Mr. Jay Shah

Chief Business Officer



Mrs. Gunjan Bhagtani

Company Secretary



Corporate Information

BOARD OF DIRECTORS

Mrs. Preyal Ankur Shah

Chairperson & Non-Executive Director

Mr. Ankur Ashwin Shah

Managing Director

Mr. Divyakant Ramniklal Zaveri

Independent Director

Mr. Jaykumar Toshniwal

Independent Director

Mr. Sandeep Ramrao Kadam

Whole Time Director

CHIEF FINANCIAL OFFICER

Mr. Piyush Patel

REGISTERED OFFICE

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Gunjan Bhagtani

REGIONAL OFFICE

Office No. A-236,
Atlantis K10,
Genda Circle,
Vadodara - 390023, Gujarat, India

STATUTORY AUDITORS

M/s. CNK & Associates LLP

Chartered Accountants, Vadodara

SECRETARIAL AUDITORS

DRP & Associates,

Practicing Company Secretary, Vadodara

BANKERS

Axis Bank Limited

Punjab National Bank

PLANT-I

Plot No. 121/8/9/20/21/22/23-24,
GIDC Estate, Kalol,
Panchmahals,
Gujarat, 389330
2nd Floor Office no.207-208,
Atlantis Heritage,
Vadivadi Road, Sarabhai campus,
Vadodara-390023

REGISTRAR & SHARE TRANSFER AGENT: BIGSHARE SERVICES PRIVATE LTD.

E-3 Ansa Industrial Estate
Saki Vihar Road, Sakinaka
Mumbai-400072
Email: investor@bigshareonline.com
Website: www.bigshareonline.com

PLANT-II

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

Director's Report

Dear Shareholders,

The Board of Directors hereby submits the report of the business and operations of your Company ("the Company") along with the audited financial statements, for the financial year ended March 31, 2024.

01. Financial Highlights:

Particulars	₹ In Lakhs)	
	2023-24	2022-23
Revenue from Operations	10,642.80	6365.33
Other Income	125.32	95.28
Total Revenue	10,768.12	6460.61
Expenses:		
Cost of materials consumed	4,630.82	1803.65
Purchases of Stock-in-Trade	832.89	2643.95
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	175.80	(1130.94)
Employee benefit expenses	1,233.56	918.35
Finance costs	135.71	110.26
Depreciation and amortization expenses	215.69	196.81
Other expenses	2,225.94	1245.36
Total expenses	9,450.42	5787.44
Profit/(Loss) before Tax	1,317.70	673.17
Less: Tax Expenses		
Current Tax	362.30	145.11
Tax of earlier years (Net)	0.68	5.42
Deferred Tax Liability	(24.24)	(6.95)
Profit for the period	978.96	529.59

02. Company's Performance

The revenue from operations during the year 2023-24 has increased to ₹ 10,642.80 Lakhs as compared to ₹ 6,365.33 Lakhs in the last financial year. The Profit before tax is ₹ 1317.70 Lakhs for FY 2023-24 as compared to ₹ 673.17 Lakhs in the last financial year. The company has made profit of ₹ 978.96 Lakhs for FY 23-24 as compared to ₹ 529.59 Lakhs in the last financial year.

(06966962) retires by rotation and being eligible, offers herself for re-appointment. Relevant resolutions (Ordinary and Special, as applicable) seeking shareholders' approval forms part of the Notice.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2024 are:

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

*Ms. Charmy Shah has resigned as Company Secretary of the Company w.e.f. 07.03.2024 and Ms. Gunjan Bhagatani was appointed as Company Secretary of the Company from 01.06.2024.

03. Management Discussion & Analysis

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

04. Directors and Key Managerial Personnel

In accordance with the requirements of the Act and the Company's Articles of Association, Mrs. Preyal Ankur Shah DIN

The List of Directors as on 31st March, 2024 are as under:

Name of Director	Category Cum Designation	Date of Appointment	No. of Shares held as on March 31, 2023
Mr. Ankur Ashwin Shah	Managing Director	10/09/2013	52,53,890
Mr. Divyakant Ramniklal Zaveri	Independent Director	23/08/2021	-
Mr. Jaykumar Toshniwal	Independent Director	23/08/2021	-
Mrs. Preyal Ankur Shah*	Chairman & Non-Executive Director	11/01/2022	3,36,000
Mr. Sandeep Ramrao Kadam	Whole-time Director	25/05/2024	-

*Mrs. Preyal Ankur Shah was allotted 2,52,000 Shares on 25.05.2024 which are pending trading approval as on the date of this report.

In the opinion of the Board, all the aforesaid Directors possess the integrity, expertise and experience (including proficiency) required for appointment as Independent Directors of the Company.

05. Transfer to General Reserve

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

06. Dividend

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

07. Change in Nature of Business:

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

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

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

10. Preferential Issue

- (a) Pursuant to 62 (1) (c) read with Section 42 of Companies Act, 2013 and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Special Resolution passed in Extra-Ordinary General Meeting dated 08th January, 2024, the Company had issued 8,60,000 (Eight lakhs and Sixty Thousand only) Convertible Warrants of the company, at a price of ₹ 304.00/- per Warrant each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company having face value of 10/- (Rupee Ten Only) at a premium of ₹ 294.00/- aggregating upto ₹ 24,14,40,000/- (Rupees Twenty Six Crores and Fourteen Lakhs and Forty Thousand only) ("Total Issue Size") on a preferential basis to persons / entity listed below.

Sr. No.	Names of allottees	Category	Nos. of Warrants Allotted
A			
1	Ankur Ashwin Shah	Promoter Group	2,00,000
B			
2	Arun Kumar Ganeriwala	Non-Promoter -Public	1,50,000
3	Shlok Savjani	Non-Promoter -Public	1,00,000
4	Shaurya Jagesh Savjani	Non-Promoter -Public	1,00,000
5	Bhagyoday Oil Industries	Non-Promoter -Public	1,00,000
6	Vivekkumar Mahesh Jalan	Non-Promoter -Public	1,00,000
7	Zyana Developers LLP	Non-Promoter -Public	1,00,000
8	Jay Mukesh Shah	Non-Promoter -Public	10,000

09. Share Capital

Authorised Capital:

During the period under review, the Company had Authorized Share Capital of ₹ 15,00,00,000 divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of ₹ 10 (Ten) Each.

Issued, Subscribed & Paid-Up Capital:

At the beginning of the financial year the paid up share capital of the Company was 1,14,48,000 shares of 10/- each amount to ₹ 11,44,80,000

During the period under review, the Company converted warrants into equity shares amounting to 8,46,000 each convertible into one fully paid up equity share of the Company on 05.09.2023 and thereafter, further allotted 14,11,026 equity shares on a preferential basis vide special resolution passed at the Extra-Ordinary General Meeting dated 08th January, 2024.

Therefore, on 31st March, 2024, the paid-up equity capital was 13,70,50,260 and the listed capital was 12,29,40,000. The Company received trading approval for 14,11,026 equity shares on 15.05.2024.

During the period under review, your Company has not bought back any of its securities / has not issued any Sweat Equity Shares / has not issued shares with Differential Voting rights / has not issued any shares under Employee stock option plan and there has been no change in the voting rights of the shareholder

- (b) Pursuant to provisions of Sections 23, 42, 62 of the Companies Act, 2013 and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Special Resolution passed in Extra-Ordinary General Meeting dated 08th January, 2024, the Company had issued 14,11,026 (Fourteen Lakh and Eleven Thousand and Twenty Six Only) equity shares of the Company 304.00/- per share each having face value of 10/- (Rupee Ten Only) at a premium of ₹ 294.00/- aggregating upto ₹ 42,89,51,904/- (Rupees Forty Two Crores and Eighty Nine Lakhs and Fifty One Thousand and Nine Hundred and Four only) ("Total Issue Size") on a preferential basis to persons / entity listed below.

Sr. No.	Names of allottees	Category	Nos. of Warrants Allotted
A.	Non-Promoter Group		
1	Monika Garware	Non-Promoter Group	3,50,000
2	Vineet Kaul	Non-Promoter Group	2,00,000
3	Shalu Aggrawal	Non-Promoter Group	1,48,026
4	Rajat Goenka	Non-Promoter Group	1,50,000
5	Mehak Finpro India Private Limited	Non-Promoter Group	1,00,000
6	Archana Khatri	Non-Promoter Group	1,00,000
7	Ruchi Aggarwal	Non-Promoter Group	50,000
8	Harit Exports Private Limited	Non-Promoter Group	33,000
9	Aruna Nitin Sampat	Non-Promoter Group	33,000
10	Punit P Jain	Non-Promoter Group	33,000
11	Vinita Kawatra	Non-Promoter Group	30,000
12	Raghvendra Singh	Non-Promoter Group	29,500
13	Charu Goyal	Non-Promoter Group	20,000
14	Gaurav Taneja	Non-Promoter Group	16,500
15	Anil Kaul	Non-Promoter Group	16,500
16	KAPM Ventures LLP	Non-Promoter Group	16,500
17	Anuj Premkumar Agarwal HUF	Non-Promoter Group	15,000
18	Kiran Kumar M	Non-Promoter Group	10,000
19	Joyal Pinakin Soni	Non-Promoter Group	10,000
20	Sharmishtha Tarun Shah	Non-Promoter Group	10,000
21	Rohit Ledwani	Non-Promoter Group	10,000
22	Anjali Ketan Yadav	Non-Promoter Group	10,000
23	SS Corporate Securities Limited	Non-Promoter Group	10,000
24	Ankit Jain	Non-Promoter Group	10,000
	Total		14,11,026

11. General Meetings

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

Sr. No.	Date of Meeting	Type of Meeting
01	30 th September, 2023	Annual General Meeting
02	08 th January, 2024	Extra-Ordinary General Meeting

12. Disclosure by Directors

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

13. Change in Registered Office

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

14. Material Changes and Commitment if any Affecting the Financial Position of the Company Occurred Between the End of the Financial Year to Which This Financial Statements Relate and the date of the Report

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

15. Conversation of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo:

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

16. Statement Concerning Development and Implementation of Risk Management Policy of The Company

The Company has been taking a proactive approach concerning the development and implementation of a Risk Management Policy after identifying the following elements of risks which in the opinion of the Board may threaten the very existence of the

Company itself. (a) financial; (b) legal and regulatory; (c) operating; and (d) commercial risks, including health, safety and environment. The Company does not have any Risk Management Committee as the Board takes into consideration all the risk factors at regular intervals at its meetings.

17. Corporate Social Responsibility

During the Financial Year 23-24, the Company carried out CSR activities as mandated by the law.

The CSR initiatives undertaken during the financial year 2023-24 and the Annual Report on CSR activities as required by the Companies (Corporate Social Responsibility Policy) Rules, 2014, are set out in 'Annexure V' to this Report.

18. Insurance

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

19. Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013.

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

Your Company has a zero tolerance for sexual harassment at workplace and, therefore, has in place a policy on prevention of sexual harassment at workplace. The said policy is in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. There was no complaint outstanding/ received from any employee during the financial year 2023-24 and hence, no complaint is pending as on March 31, 2024 for redressal.

20. Details of Application Made or any Proceeding Pending Under Insolvency and Bankruptcy Code, 2016

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

21. The Details of Difference Between Amount of the Valuation Done at the Time of One - Time Settlement and the Valuation Done While Taking Loan from the Banks or Financial Institutions Along with the Reasons Thereof

Not Applicable

22. Particulars of Loans, Guarantees or Investments Made Under Section 186 of the Companies Act, 2013

The Company has not given any guarantees under section 186 to any person or body corporate except loan to employees of the Company as per Company's policy for employees and investment in mutual funds.

The Company has approved loan of ₹ 5,00,00,000 to its Associate Company – Waveoptix Defence Solutions Private Limited as per applicable provisions of section 186 of the Companies Act, 2013.

The Company has approved an investment of ₹ 1,00,00,000 in Planys Technologies Private Limited as per applicable provisions of section 186 of the Companies Act, 2013.

The Company has approved an investment of 2,50,00,000 in Techera Engineering (India) Limited as per applicable provisions of section 186 of the Companies Act, 2013.

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

23. Details of Significant & Material Orders Passed by the Regulators or Courts

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

24. Maintenance of Cost Records and Cost Audit

Maintenance of Cost Records has been specified by the Central Government, under sub -section (1) of section 148, of the Companies Act, 2013, and records has been made and maintained for year under review. However, the provisions of cost audit are not applicable to the Company for the financial year 2023-24.

M/s. Y.S. Thakar & Co., Cost Accountants, were appointed with the approval of the Board to carry out the cost audit for F.Y. 2024-25. Based on the recommendation of the Audit Committee, M/s. Y.S. Thakar & Co., Cost Accountants, being eligible, have also been appointed by the Board of Directors in their meeting held on 25.05.2024 as the Cost Auditors for F.Y. 2024-25. The remuneration to be paid to M/s. Y.S. Thakar & Co., for F.Y. 2024-25 is subject to ratification by the shareholders at the ensuing AGM.

25. Company's Policy Relating to Directors Appointment, Payment of Remuneration and Discharge of their Duties

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

26. Formal Annual Evaluation

Pursuant to the provisions of the Act, and SEBI Listing Regulations, 2015, the Nomination and Remuneration Committee ("NRC") and the Board has carried out the annual performance evaluation of the Board, its Committees and individual Directors by way of individual and collective feedback from Directors. The Independent Directors have also carried out annual performance evaluation of the Chairperson, the non-independent directors and the Board as a whole.

27. Statutory Auditors

At the 8th Annual General Meeting held on 30.11.2021, M/s. CNK & Associates LLP, Chartered Accountant (FRN: 101961W), were appointed as Statutory Auditors of the Company to hold the office till the conclusion of the 13th Annual General Meeting to be held in relation to the financial year ended on 31.03.2026. The Report issued by M/s. CNK & Associates LLP, Chartered Accountant (FRN: 101961W), Statutory Auditor for FY 2023-24 does not contain any qualification, reservation, adverse remark or disclaimer.

28. Secretarial Audit Report

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

There are no qualifications, reservations or adverse remarks made by DRP & Associates., Company Secretaries, Vadodara, Secretarial Auditors of the Company, in their report.

29. Annual Return

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

30. Disclosure Under Rule-5 of the Companies (Appointment And Remuneration) Rules, 2014

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

31. Particulars of Contracts or Arrangements Made With Related Parties

Contracts or arrangements with related parties referred to under Section 188 of the Act, entered into during the year under review, were on an arm's length basis. No material contracts or arrangements with related parties were entered into during the year under review.

The particulars of contracts or arrangements with related parties given in "Form AOC-2" are given in **Annexure VI** forming part of this Report.

32. Corporate Governance

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

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

Since, our Company falls in the ambit of aforesaid exemption (b); hence compliance with the provisions of Corporate Governance shall not apply to the Company and it does not form the part of the Annual Report for the financial year 2023-24.

33. Number of Board Meetings Conducted During the Year Under Review

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

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

Sr. No.	Date of Meeting	Number of Directors entitled to Attended Meeting	No. of Directors Attended Meeting
1.	22.05.2023	6	6
2.	29.07.2023	6	5
3.	05.09.2023	6	6
4.	08.11.2023	6	6
5.	13.12.2023	6	6
6.	01.02.2024	6	6
7.	31.03.2024	6	6

34. Audit Committee

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

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

Name of Members	Chairman/Member	Nature of Directorship	No. of Meeting Held	No. of Meeting Attended
Mr. Divyakant Ramniklal Zaveri	Chairman	Independent Director	7	7
Mr. Jaykumar Toshniwal	Member	Independent Director	7	7
Mr. Ankur Ashwin Shah	Member	Managing Director	7	7

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

During the year under review eight Audit Committee Meetings were held on 22.05.2023, 29.07.2023, 05.09.2023, 08.11.2023, 13.12.2023, 01.02.2024 and 31.03.2024.

35. Nomination and Remuneration Committee

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

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

Name of Members	Chairman/Member	Nature of Directorship	No. of Meeting Held	No. of Meeting Attended
Mr. Divyakant Ramniklal Zaveri	Chairman	Independent Director	3	3
Mr. Jaykumar Toshniwal	Member	Independent Director	3	3
Mr. Preyal Ankur Shah	Member	Chairperson & Non Executive Director	3	3

During the year under review two Nomination and Remuneration Committee Meetings were held on 29.07.2023, 05.09.2023 & 31.03.2024.

36. Stakeholders Relationship Committee

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

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

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

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

During the year under review no grievances were received based on the reports from Bigshare Services Private Limited. The Committee meeting was held on 31.03.2024.

37. CSR Committee

The details of members of CSR Committee is as under:

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

The CSR Committee meetings were held on 01.02.2024 and 31.03.2024.

38. Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any Subsidiary or Joint venture.

However, the Company has one Associate Company i.e, Waveoptix Defence Solution Private Limited. Your Company has a stake of 25% in the aforementioned Associate Company.

Further, pursuant to provisions of Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's Joint venture in Form AOC-I is attached as **Annexure VII** to the Board's Report.

39. Compliance Officer

The Compliance Officer cum designated Company Secretary of the Company up to March 2024 the financial year 2023-24 was Mrs. Charmy Shah who has resigned w.e.f. 07.03.2024.

Mrs. Gunjan Bhagtani is the Compliance Officer and designated Company Secretary of the Company w.e.f. 01.06.2024.

40. Registrar and Share Transfer Agent

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

41. Internal Auditor

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

42. Internal Control Systems & Their Adequacy

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

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

43. Deposits

The Company has not invited deposit from members or public. Therefore, the details relating to deposits, covered under Chapter V of the Act is not applicable.

44. Website

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

45. Declaration of Independent Directors

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

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

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

46. Directors' Responsibility Statement

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

47. Details in Respect of Frauds Reported by Auditors

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

48. Vigil Mechanism/ Whistle Blower Policy

The Company has adopted the whistle blower mechanism for directors and employees to report concerns about unethical

behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. The Company has a "VIGIL MECHANISM / WHISTLE BLOWER POLICY", the copy of which is available on the website of the Company, namely <https://www.krishnaallied.com>

49. Safety & Environment

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

50. Listing Fees

The Equity Shares of the Company are listed on NSE – NEAPS Segment and the Company has paid the annual listing fees for the year 2024-2025.

51. Human Resource

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

52. Green Initiatives

In commitment to keep in line with the Green Initiatives and going beyond it, electronic copy of the Notice of 11th Annual General Meeting of the Company including the Annual Report for Financial Year 2023-24 are being sent to all Members whose e-mail addresses are registered with the Company/ Depository Participant(s).

53. Acknowledgements

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

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

By Order of the Board of Directors
Krishna Defence and Allied Industries Limited

Place: Mumbai
Date: 20.06.2024

Sd/-
Ankur Shah
Managing Director
DIN: 01166537

Sd/-
Preyal Shah
Director
DIN: 06966962

Annexure I

Management Discussion and Analysis

Global economy

Overview

The global economy displayed remarkable resilience in the year 2023, navigating geopolitical conflicts, energy and food price volatility, and rising inflation. Despite these challenges, global GDP still expanded by an estimated 3.2%¹. To address inflation, central banks worldwide implemented interest rate increases, which had the anticipated effect of slowing economic growth. However, these measures helped avert a global recession, with signs of moderating inflation emerging towards the end of the year.

The US economy demonstrated strength due to robust consumer and government spending, along with a rebound in international trade, resulting in a growth rate of 2.5%². The European Union faced more challenges, with uneven growth across member states. Nonetheless, the EU as a whole saw modest growth, while the Euro area successfully avoided a recession. China's recovery was slower, with a growth rate of approximately 5.2%³, impacted by difficulties in the property sector and subdued consumer confidence. In contrast, emerging markets like India, Vietnam, and Mexico benefited from diverse economic strategies and foreign investments, leading to positive growth trajectories.

GROWTH PROJECTIONS

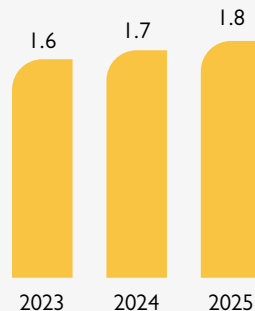
GLOBAL ECONOMY

(in %)



ADVANCED ECONOMIES

(in %)



EMERGING MARKET & DEVELOPING ECONOMIES

(in %)



INTERNATIONAL MONETARY FUND

¹ [World Economic Outlook, April 2024: Steady but Slow: Resilience amid Divergence \(imf.org\)](https://www.imf.org/en/Publications/WEO/Issues/2024/04/01/wEO-apr24)

² [World Economic Outlook, April 2024: Steady but Slow: Resilience amid Divergence \(imf.org\)](https://www.imf.org/en/Publications/WEO/Issues/2024/04/01/wEO-apr24)

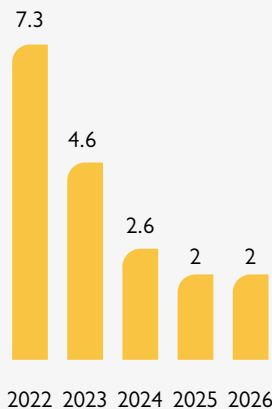
³ [World Economic Outlook, April 2024: Steady but Slow: Resilience amid Divergence \(imf.org\)](https://www.imf.org/en/Publications/WEO/Issues/2024/04/01/wEO-apr24)

Outlook

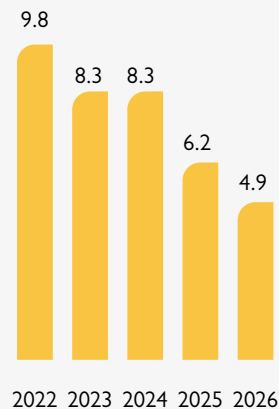
The global economy is expected to maintain a steady growth rate in CY 2024. While this growth may be modest compared to some historical periods, inflation is projected to continue its downward trend. This suggests a potential 'soft-landing' scenario, where the economy avoids recession or major instability. Despite ongoing challenges in global trade and investment, major central banks are preparing to ease monetary policy. This easing reflects confidence in successfully managing inflation, adding to a cautiously optimistic outlook for CY 2024.

**Inflation rate, average consumer prices
(Annual % change)**

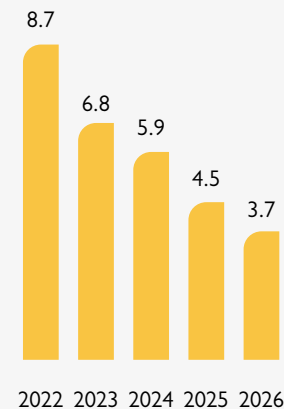
Advanced economies



Emerging market and developing economies



World



Source: IMF, World Economic Outlook, April, 2024

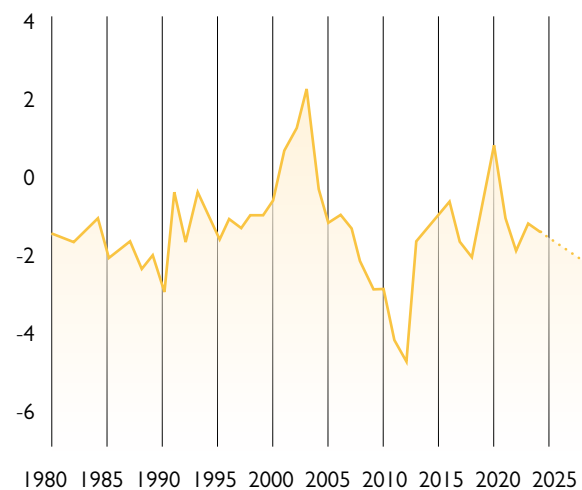
Indian economy

Overview

Despite global headwinds, the Indian economy continues to move on a promising trajectory. In FY24, India's GDP touched 8.2% with Current Account Deficit (CAD) at 1.9% of GDP.⁴ Strong domestic demand coupled with continuous government spending proved to be the primary drivers of GDP growth in the first half of the fiscal year. On the other hand, rising exports, substantial increases in private consumption, and augmenting infrastructure development created a positive environment for attracting investors. This further contributed to the growth of the Indian economy.

As one of the fastest-growing major economies in the world, India has fortified its position as a lucrative investment destination. Moreover, the government's introduction of flagship programmes, such as 'Make in India', 'Aatmanirbhar Bharat', Smart City Mission, Digital India and the PLI scheme, has propelled growth across several sectors.

Current account balance, percent of GDP (Percent of GDP)



Source: <https://www.imf.org/en/Countries/IND#countrydata>

With 17% of the nation's GDP and over 27.3 million workers, the manufacturing sector plays a significant role in the Indian economy⁵. Through the implementation of different programmes and policies, the Indian government hopes to have 25% of the economy's output come from manufacturing by 2025.

⁴ <https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html>

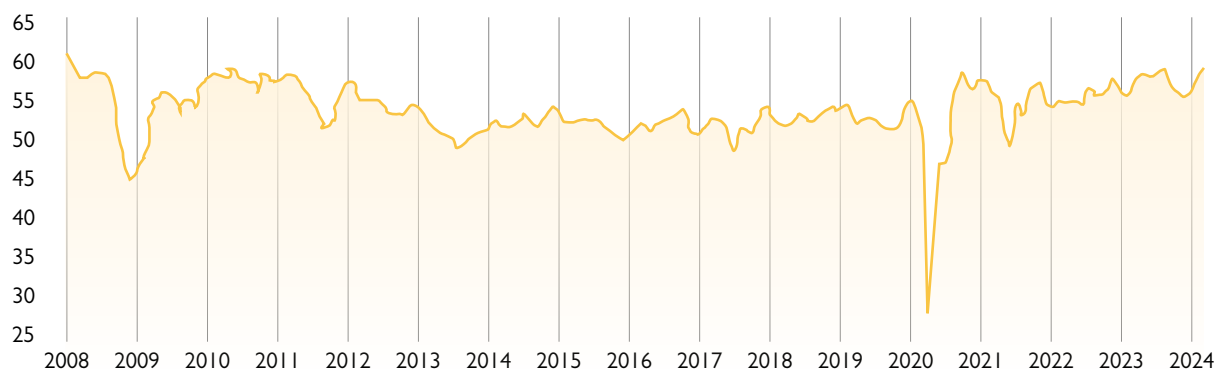
⁵ <https://static.pib.gov.in/WriteReadData/specificdocs/documents/2024/may/doc2024531339301.pdf>

Outlook

Several high-performance indicators point towards sustained growth in the Indian economy. Along with the Government's increased capex deployment, coupled with strong tax revenue collections, increasing domestic firm demand and accelerating growth of the manufacturing, construction and food industry, India is expected to maintain robust economic activity. Moreover, stable repo rates, government bond yields and healthy foreign exchange reserves indicate towards macroeconomic stability in the near-term.

HSBC India Manufacturing PMI

sa, >50 = improvement since previous month



Sources: HSBC, S&P Global PML

India is rapidly becoming a preferred destination for global manufacturers due to its robust domestic demand and promising export potential. The country's per capita GDP is on a steady rise, driving demand and fostering economic growth. Government initiatives aimed at promoting the manufacturing sector, including incentivizing domestic production, enacting labour reforms, and streamlining business regulations, have led to a substantial influx of investments.

Industry overview

Global defence industry⁶

In FY24, global military expenditure surged to \$2443 billion, marking a significant 6.8% real-term increase from FY23—the sharpest rise since the past decade. The top 10 spenders, led by the United States, China, and Russia, all recorded heightened military spending. Notably, the 31 NATO members contributed \$1341 billion, constituting 55% of the world's military expenditure. The USA alone saw its military spending rise by 2.3% to \$916 billion, comprising 68% of the total NATO military expenditure. Most European NATO members also boosted their military spending in FY23, collectively accounting for 28% of the NATO total—the highest proportion in a decade. Canada and Türkiye contributed the remaining 4%. Despite a decade passing since NATO members committed to spending 2% of GDP on the military, only 11 out of 31 met or exceeded this target in 2023—the highest number since the pledge was made. Additionally, 28 NATO members allocated at least 20% of their military spending to 'equipment spending' in 2023.

Indian defence manufacturing industry⁷

In the Financial Year 2024-25, the Defence Budget has reached ₹ 6,21,540.85 crore, amounting to 13.04% of the total Union Budget, reflecting a strategic move amidst the current geopolitical landscape.⁸

Positioned as the second-largest armed force globally, India's Defence sector is poised for a transformative phase, driven by the government's emphasis on self-reliance and export promotion through the 'Aatmanirbhar Bharat' initiative. This initiative underscores the prioritization of indigenous manufacturing infrastructure, backed by robust research and development efforts. With a target of achieving a turnover of ₹ 1.75 Lakh Cr in aerospace and defence manufacturing by 2025, along with exports amounting to ₹ 35,000 Cr, the Ministry of Defence is steering towards fostering a self-sufficient ecosystem. As of April 2023, 606 Industrial Licenses have been granted to 369 companies operating in the Defence Sector, signalling an encouraging momentum.

The changing geopolitical scenarios at India's borders, including territorial disputes with neighbouring countries, have resulted in a growing demand for defence equipment to secure the nation's borders. Consequently, India has been ranked among the top importers of defence equipment over the last five years to attain a technological advantage over its opponents. To modernise the armed forces and reduce dependency on external sources for defence procurement, several policy support initiatives have been undertaken by the government to encourage 'Make in India' activities. SRIJAN Portal was launched to promote indigenisation, showcasing over 32,000 items for public view, with 7,283 items indigenised by March 2023.

To fortify the domestic defence industry, the government is committed to enhancing transparency, predictability, and ease of doing business. This commitment is evidenced through initiatives such as de-licensing, de-regulation, export promotion, and liberalization of foreign investment. The Department of Military Affairs (DMA) has introduced four Positive Indigenization Lists, encompassing 411 military items, aimed at catalysing domestic production. Furthermore, to bolster exports and attract foreign investment, Foreign Direct Investment (FDI) in the

⁶ <https://www.sipri.org/media/press-release/2024/global-military-spending-surges-amid-war-rising-tensions-and-insecurity>

⁷ <https://www.investindia.gov.in/sector/defence-manufacturing>

⁸ <https://pib.gov.in/PressReleaseSelfFramePage.aspx?PRID=2001375>

Defence Sector has been liberalized, reaching up to 74% through the Automatic Route and 100% via the Government Route. Two Defence Industrial Corridors have been established in Uttar Pradesh and Tamil Nadu to attract an investment of ₹ 10,000 crores per corridor.

Over the last five years, defence exports have increased by **334%**, with India now exporting to over **75** countries due to collaborative efforts.

Growth drivers

Budget Allocation for DRDO: In the Interim Budget 2024-25, US\$ 2.9 billion (₹ 23,855 crore) was allocated to DRDO, while a corpus of US\$ 12.0 billion (₹ 1 lakh crore) was earmarked for Deep Tech, offering long-term loans to tech-savvy companies to foster innovation in defence technologies within India.

Defence industrial corridors: Defence Industrial Corridors (DICs) are dedicated zones that provide crucial infrastructure, land, and streamlined regulatory processes, attracting both domestic and foreign investors. This fosters collaboration, knowledge transfer, and the creation of a robust supply chain within the DICs. With easier access to resources and a supportive ecosystem, companies can manufacture equipment efficiently, leading to increased domestic production and a stronger Indian defence industry.

IDR Act: The revamped Defence Acquisition Procedure (DAP), also known as the IDR act, is poised to accelerate growth in domestic defence manufacturing. The IDR act prioritizes indigenous procurement by introducing faster clearances, categorizing defence requirements to favour Indian vendors, and offering offsets (investments in Indian firms) for foreign manufacturers. This incentivizes technology transfer and boosts domestic production capabilities. By creating a more level playing field for Indian companies, the IDR act is expected to attract investments, enhance innovation, and propel the industry towards self-sufficiency.

Promotion of indigenous design and development of defence equipment: Promoting indigenous design and development of defence equipment is a strategic growth driver for India's manufacturing sector. By fostering domestic innovation in areas like missiles, warships, and combat vehicles, India reduces dependence on foreign imports and strengthens its technological prowess. This not only boosts self-reliance but also creates high-skilled jobs, attracts investments in R&D, and fuels the growth of a robust domestic defence ecosystem, ultimately positioning India as a leading defence manufacturing nation.

Modernization and upgradation: India's military modernization push translates directly to growth in domestic defence manufacturing. The ageing equipment and weaponry across the armed forces necessitate large-scale procurement. By prioritizing domestic production to meet these requirements, the government fuels demand for Indian-made defence equipment. This incentivizes manufacturers to expand capacity, invest in new technologies, and create high-skilled jobs, fostering a robust domestic industry capable of meeting future defence needs.

Focus on Indigenous Development: Key defence manufacturing companies in India are currently focusing on designing and developing various indigenous weapons and essential products to boost domestic

manufacturing capabilities and align with the Government's vision of 'Aatmanirbhar Bharat'.

iDEX Challenge: The Innovations for Defence Excellence (iDEX) initiative is a flagship programme launched by the Ministry of Defence. It seeks to foster innovation and technology development in defence and aerospace by engaging startups, MSMEs, individual innovators, R&D institutes, and academia. Through the iDEX Challenge, the government identifies specific defence technology requirements and invites innovative solutions, thereby driving indigenisation and strengthening the domestic defence ecosystem.

Aatmanirbhar Bharat Abhiyan: The Aatmanirbhar Bharat Abhiyan, or Self-Reliant India Mission, is a comprehensive vision outlined by the Government of India to make the country more self-sufficient across various sectors, including defence. This mission emphasises the need for indigenisation and encourages the local production of defence equipment, reducing dependency on foreign imports and promoting the development of a robust domestic defence industry.

Srijan Portal: The Srijan Portal is an online platform launched by the Ministry of Defence to promote indigenisation of defence production. The portal provides information on items that are being imported by the Defence Public Sector Undertakings (DPSUs), Ordnance Factory Board (OFB), and Services, which can be indigenised by Indian industry. By facilitating the exchange of information and collaboration between the defence forces and the industry, the Srijan Portal plays a crucial role in achieving self-reliance in defence manufacturing.

Positive Indigenisation List: The Ministry of Defence has also introduced the Positive Indigenisation List, which comprises a range of weapons, platforms, and systems that will only be procured from domestic manufacturers. This list includes items that have been identified for phased ban on imports, thus encouraging the development and production of these items within the country. The Positive Indigenisation List is a significant step towards ensuring that critical defence equipment is produced locally, thereby bolstering national security and supporting the domestic defence industry.

Indian Navy outlook

The Indian Navy is currently focused on expanding its fleet and capabilities, with an ambitious vision to become one of the top five shipbuilding nations and a major ship repair hub globally within the next decade. In the financial year 2024 (FY24), the Indian Navy experienced substantial growth, marked by the induction of several new vessels, including advanced stealth destroyers, frigates, and submarines. This expansion is designed to enhance operational readiness and maritime security. The defence budget for FY24 saw an increase of 15% compared to the previous year, with a significant portion allocated to the Navy for the procurement and modernisation of assets, thereby reinforcing its strategic objectives.

Indigenous development has been a key focus area, aligning with the 'Make in India' initiative. There has been a marked increase in indigenously developed vessels, with several new ships and submarines launched by Indian shipyards. Strategic partnerships and joint ventures with leading global defence manufacturers have further bolstered the Navy's technological capabilities, ensuring that it remains at the forefront of maritime innovation. Training and manpower development have also been prioritised, with advanced training programmes and the

induction of skilled personnel, ensuring the Navy is equipped with the expertise to operate new technologies effectively.

Key drivers

Expansion of Fleet: Aim to increase the fleet to at least 175 warships by 2035 from the current 132, with 68 new warships and vessels on order.⁹

Indigenous Development: Commissioning of INS Vikrant, showcasing India's ability to design, build and operate indigenous aircraft carriers, with plans to procure 26 Rafale Marine aircraft to enhance naval aviation capabilities.¹⁰

Government Support and Investment: Significant government investments, estimated at ₹ 2 lakh crore, to support fleet expansion and modernization.¹¹

Multinational Engagements: Regular participation in multinational naval exercises like MILAN, involving over 50 countries, to improve operational capabilities and maritime security.¹²

Advanced Submarines: Inclusion of new Scorpene-class submarines and planned development of indigenous submarines under Project 751 to enhance underwater capabilities.

Stealth Frigates: The Indian Navy is significantly enhancing its surface warfare capabilities with the commissioning of seven Project 17A-class stealth frigates. These frigates, including the recently launched INS Mahendragiri, are equipped with advanced stealth features, state-of-the-art weapons such as BrahMos missiles and Barak-8 surface-to-air missiles, and sophisticated sensors (Project 17A Frigates).¹³

Offshore Patrol Vessels & Missile Vessels: In a huge boost to achieve 'Aatmanirbharta' in defence, Ministry of Defence signed contracts with Indian shipyards for acquisition of 11 Next Generation Offshore Patrol Vessels (NGOPV) and six Next Generation Missile Vessels (NGMV) at an overall cost of approx. ₹ 19,600 crore. The contract for acquisition of 11 Next Generation Offshore Patrol Vessels under Buy (Indian-IDD) category was signed with Goa Shipyard Ltd (GSL) and Garden Reach Shipbuilders and Engineers (GRSE), Kolkata. Of the 11 ships, seven will be indigenously designed, developed & manufactured by GSL and four by GRSE. The delivery of the ships is scheduled to commence from September 2026. The contract for acquisition of six Next Generation Missile Vessels was signed with Cochin Shipyard Limited at a cost of ₹ 9,805 crore. The delivery of ships is scheduled to commence from March 2027. The NGMVs would be heavily armed war vessels incorporating stealth, high speed and offensive capability.

Fleet Support Ships: Ministry of Defence signed a contract with Hindustan Shipyard Limited, Visakhapatnam for acquisition of five Fleet Support Ships (FSS) for the Indian Navy at an overall cost of approx ₹ 19,000 crore. The FSS will be employed for replenishing ships at sea with fuel, water, ammunition and stores, enabling the Indian Naval Fleet to operate for prolonged periods without returning to harbour. They can also be deployed for evacuation of people and HADR operations. The ships of 44,000 Tons will be the first-of-its kind to be built in India

by an Indian Shipyard. This project will generate employment of nearly 168.8 lakh man-days over a period of eight years.

Dairy equipment manufacturing industry

The global dairy equipment manufacturing market has seen significant growth, increasing from \$10.63 billion in 2023 to \$11.38 billion in 2024¹⁴, driven by heightened dairy product demand, increased automation, and stringent quality regulations. Projected to reach \$15.02 billion by 2028, the market is influenced by trends such as value-added dairy products, healthier options, sustainable practices, and advancements in technology like IoT.

In India, the world's largest milk producer with a 24.64% global share in 2021-22, milk production surged by 58% to 230.58 million tonnes in FY24. Key states contribute over half of the total output. Infrastructure investment is critical, with government incentives aimed at enhancing processing, chilling, logistics, and cattle feed infrastructure, alongside opportunities in value-added products, organic milk, and exports.

Company overview

Krishna Defence and Allied Industries Limited (KDAIL) is a rapidly advancing defence company, providing critical components to the Indian Navy for its warships and developing special products for the Indian Army. With in-house capabilities for designing, developing, and manufacturing a wide range of equipment for both the Defence and Dairy sectors, the company's products exemplify indigenous excellence, crafted with utmost precision to cater to a promising defence market. In alignment with the national goal of achieving indigenous defence equipment manufacturing capabilities and self-sustainability, KDAIL has a rich history of innovation and growth. Starting in 1997 with the manufacturing of dairy equipment, the company entered the defence sector in 2006 by developing shipbuilding steel sections for the Indian Navy, previously imported. In 2022, KDAIL was listed on the NSE Emerge platform. The company operates state-of-the-art manufacturing facilities in Halol, Gujarat for defence equipment, and in Kalol, Gujarat for dairy equipment. Their defence products include shipbuilding steel sections, improved space heating devices, weld consumables, ballast bricks and profiles for T-90 tanks while their dairy equipment product spectrum feature milk cooling tanks, robotic milk collection units, and stainless-steel milk cans. With over 27 years of operations and a dedicated workforce of more than 260 employees, KDAIL continues to develop indigenous solutions to replace imported defence components, by supplying critical items to both the Navy and the Indian Army.

The Company's research and development (R&D) capabilities drive the company's product diversification across various business verticals. These capabilities encompass product design, engineering, simulation, prototyping, and testing, primarily conducted at its manufacturing facilities. Its research focuses on creating innovative products and solutions tailored to meet customer expectations and preferences while enhancing production processes and product quality. Leveraging its R&D strengths, the company is currently developing several new products, some of which have already garnered orders.

⁹ <https://www.indiannavy.nic.in/>

¹⁰ <https://www.outlookindia.com/national/-historical-milestone-for-indian-navy-as-naval-variant-of-ica-lands-first-time-on-aircraft-carrier-ins-vikrant-news-260028>

¹¹ <https://www.outlookindia.com/national/indian-navy-rafale-marine-deal-sees-progress-as-france-responds-to-india-s-rs-50-000-crore-tender-news-337874>

¹² <https://chatgpt.com/c/e4e7cbb7-0d4f-4895-86e1-65256b6cb98e>

¹³ <https://www.indiannavy.nic.in/content/mahendragiri-seventh-stealth-frigate-project-17a-launched>

¹⁴ <https://www.thebusinessresearchcompany.com/market-insights/global-dairy-processing-equipment-market-2024>

Waveoptix Defence solution Pvt LTD (Associate Company)

The Company has ventured into defence electronic which has a state-of-the-art manufacturing & testing facility in Bengaluru, where it significantly enhances its RF and optical technologies capabilities. This advanced facility includes comprehensive RF testing and measurement infrastructure, covering a range from 9KHz to 44GHz, equipped with signal generators, spectrum analysers, network analysers, and high-performance oscilloscopes. Additionally, the optical testing and measurement infrastructure boasts cutting-edge manufacturing and testing equipment, such as optical insertion and return loss testers, polishing machines, and a wide array of connectors and cables.

The new facility setup allows for rapid prototyping of complex RF and optical systems, enabling end-to-end system realisation with in-house expertise in RF, digital, and optical domains. Rigorous environmental testing ensures product durability and reliability. This strategic enhancement strengthens the Company's position in delivering high-performance, rugged systems for various applications and enhances its reputation for innovation and quality in RF and optical technologies.

Strategic Growth and Expansion

Krishna Defence and Allied Industries Limited (KDAIL) is embarking on a path of sustained growth and expansion through a focused three-pronged strategy.

Capacity Expansion

KDAIL is making substantial investments to expand its production capacity for existing products. This includes acquiring advanced machinery, such as customized furnaces and heat treatment equipment etc. Additionally, the company is securing an adjacent 40,000 square foot plot to establish a new production line. These efforts are aimed at enhancing operational efficiency and meeting increasing demand.

Strategic Partnerships

The company is diversifying its product offerings through strategic partnerships. Currently, KDAIL is in final stages of negotiations for a joint venture with a European manufacturer which is leader in composite doors and hatches. This collaboration will introduce innovative products to the Indian market and explore export opportunities, broadening the company's market reach.

Sustainable Growth

By focusing on capacity expansion and strategic product diversification, KDAIL is poised to achieve sustainable growth and strengthen its position as an industry leader. This expansion will also generate new job opportunities and contribute to the overall strength of the Indian manufacturing sector.

Key strengths

Diversified range of products

Expanding beyond its current steel and alloy offerings, the company aims to meet the Indian military's modernization needs by diversifying into Composite Doors and Hatches, Specialised Weld Consumables and Unmanned Vehicle for doing underwater survey of the Naval Ship, this strategic move positions it as a comprehensive solution provider for domestic procurement, enhancing its market presence and aligning with evolving armed forces requirements. The government's focus on specialization and private sector involvement presents expanded opportunities. Leveraging core competencies in product design, development, and testing, along with technology transfer for defence applications, the company is poised to benefit from India's Make in India program and increased indigenization efforts.

Precision engineering expertise with complex product manufacturing capability

With comprehensive in-house capabilities, the company develops and manufactures defence application products, and dairy equipment. Utilising precision machining, assembly, and specialized fabrication, it produces critical assemblies and precision components for defence sectors. Sourcing raw materials from trusted vendors, its stringent quality control ensures low rejection rates and meets customer requirements. Having successfully delivered orders for the Indian Armed Forces and dairies, the company is primed to capitalize on future opportunities. Its specialized operations and stringent quality control make it challenging for new players to qualify for such projects.

Strong R&D capabilities with a focus on innovation

The company prioritizes Research and Development (R&D) to enhance its product range, investing in adaptable manufacturing processes. Its experienced team of engineers drives complex product development, keeping it at the forefront of technological advancements. This focus on R&D has enabled the company to continually upgrade its manufacturing technology and processes. With a strong emphasis on R&D, the company has developed a diverse range of products for the defence and dairy sectors, including bulb bars, Space heating Device (Bukhari), Ballast bricks, Specialized Weld Consumables and Profiles for T-90 Tanks for the Indian Armed Forces, as well as innovations like the Solar BMC and Robotic Milk Collection Unit for dairy applications. The company's dedicated R&D team remains committed to expanding its product portfolio across both sectors.

Long Standing Relationship with the customers

With stringent qualification processes in the defence sector, the company's registrations with all the shipyards, DRDO and Directorate of Quality Assurance (Naval) reinforces its credibility. Decades of experience in manufacturing engineering products have built in trust with its customers, who rely on the company for tailored solutions. Its engineering prowess enables a consistent delivery of high-quality precision components and assemblies, thus fostering strong customer relationships. The company prioritizes understanding and meeting its customers' specific needs, ensuring satisfaction which in turn enables continued dependence on its products and services by its clients.

Experienced and Qualified Management and Employee base

The company's experienced management team, led by its Executive Board, brings vast knowledge and expertise to the company. With extensive experience in its served sectors, the company drives market opportunities, formulate strategies, and manage client expectations effectively. Additionally, the independent directors provide valuable advisory services, thus enhancing performance and compliance. Each business vertical is overseen by experienced segment heads, ensuring strong customer relationships and effective management. Supported by team of 30+ Engineers, experienced Metallurgist, trained personnel and skilled workers, the company's qualified management and employees enable it to expand our operational capabilities, enhance product quality, and drive industry growth.

Product portfolio

Defence	Dairy
In-house Development	
Ship Building Steel Sections	Milk Cooling Tanks
Steel profile for T-90 Tanks	
Special Steel Alloy Ballast Bricks	Robotic Milk Collection Unit
Special Steel Alloy Welding Wire	
Welding Electrodes	Stainless Steel Milk Can
Transfer of Technology from DIPAS & DRDO	
Improved Space Heating Device	

Discussion on Financial performance with respect to operational performance

The Company has a robust and adequate system of internal financial controls, commensurate with its size and business operation. It ensures timely and accurate financial reporting in accordance with applicable accounting standards, safeguarding of assets against unauthorised use or disposition and compliance with all applicable regulatory laws and Company policies. Internal Auditors of the Company review the internal financial control systems on a regular basis for its effectiveness, and necessary changes and suggestions are duly incorporated into the system. Internal audit reports are also reviewed by the Audit Committee of the Board.

Financial performance

Total revenue increased from ₹ 636.6 Mn in FY23 to ₹ 1064.3 Mn in FY24. Profit Before Tax increased by 95.69% from ₹ 67.3 Mn in FY23 to ₹ 131.8 Mn in FY24. The profit after tax increased by 84.78% from ₹ 53.0 Mn in FY23 to ₹ 97.9 Mn in FY24. Moreover, the financial ratios of the company lie in a good range, thereby indicating a stable financial position of the company in this fiscal year.

Particulars	(₹ in Mn)		
	FY24	FY23	YoY growth (%)
Revenue (in ₹ Mn)	1064.3	636.6	67.2
EBITDA (in ₹ Mn)	154.4	88.5	74.4
PAT (in ₹ Mn)	97.9	53.0	84.8
ROCE (in %)	13.45%	14.14%	-

Details of significant changes in the financial ratio:

Particulars	F.Y. 2023-24	F.Y. 2022-23	Variation	Remarks
(i) Debtors Turnover	4.02	2.61	54.02%	Due to Increase in sales
(ii) Inventory Turnover	3.49	2.88	21.18%	NA
(iii) Interest Coverage Ratio	119.33	44.21	169.92%	Due to Repayment of Long-term debt
(iv) Current Ratio	4.32	1.79	141.34%	Due to funds received from preferential issue of shares temporary parked in the short-term fixed deposit
(v) Debt Equity Ratio	0.10	0.51	-80.39%	Due to Repayment of Long-term debt
(vi) Operating Profit Margin (%)	11.21	9.08	23.46%	NA
(vii) Net Profit Margin (%)	9.20	8.32	10.58%	NA

Segment wise performance

₹ in lakhs

	Year ended 31 March 2024		
	Dairy & Kitchen equipment's segment	Defence Products	Total
Total Sales & Operating Income	1,461.93	9,180.87	10,642.80
Other Income	11.52	16.65	28.17
Total Income	1,473.45	9,197.52	10,670.97
Segment Results	92.10	1,951.13	2,043.23

Opportunities and threats



Opportunities

Capitalize on Government Initiatives

The Indian government's increased Defence Budget and focus on self-reliance in defence manufacturing offer the company a significant opportunity. Specializing in shipbuilding steel, special steel alloys, and superalloys, the company is poised to benefit from the heightened emphasis on growth of Defence procurement. Actively engaging in tenders can help Krishna Defence secure contracts and expand its presence in the defence sector.

Additionally, through the Make in India 2.0 program, the Company can boost its competitiveness by collaborating with foreign OEMs for co-production. This collaboration provides access to advanced technologies, enhancing their product offerings and positioning them as strong contenders for defence contracts.

Precision Engineering Expertise with Complex Product Manufacturing Capability

Krishna Defence and Allied Industries Limited (KDAIL) excels in precision engineering, offering advanced solutions for both defense applications and dairy equipment. The company's in-house capabilities encompass precision machining, intricate assembly, and specialized fabrication processes, enabling the production of critical assemblies and high-precision components. By sourcing raw materials from reliable vendors and adhering to stringent quality control measures, KDAIL ensures exceptional product quality and low rejection rates. Their proven track record includes successfully delivering orders to the Indian Armed Forces and prominent dairy societies. This expertise in precision engineering, combined with rigorous quality standards, positions Krishna Defence as a leader in the industry, making it challenging for new entrants to meet the same high standards. As a result, the company is well-prepared to seize future opportunities and continue its growth trajectory.

Diversified Range of Products

Expanding beyond its current steel and alloy offerings, the company aims to meet the Indian military's modernization needs by diversifying into Defence Electronics, Composite Door and Hatches, Specialised Weld consumables for defence and Aerospace, Defence electronic and in water survey for Indian Navy Vessels. This move positions the Company as a comprehensive solution provider for domestic procurement, enhancing its market presence and aligning with evolving armed forces requirements. The government's focus on specialization and private sector involvement presents expanded opportunities. Leveraging core competencies in product design, development, and testing, along with technology transfer for defence applications, the company is poised to benefit from India's Make in India program and increased indigenization efforts.

The company is diversifying its offerings to support the Indian military's modernization efforts, moving beyond steel and alloys to include Defence Electronics, Composite Doors and Hatches for Naval Ships, Specialized Weld Consumables for Defence and Aerospace, and underwater survey capabilities for Indian Navy vessels. This strategic expansion enhances the company's role as a comprehensive solution provider for domestic procurement, increasing its market presence and aligning with the changing needs of the armed forces.

The government's emphasis on specialization and private sector involvement presents new opportunities for growth. By utilizing its core strengths in product design, development, testing, and technology transfer for defense applications, the company stands to benefit from India's Make in India program and the drive for increased indigenization. This initiative will enable the company to better meet the defense sector's evolving needs and strengthen its market position.

Address Export Opportunities

The government's emphasis on defence exports creates fresh opportunities for KDAIL. The company can venture into global markets with its shipbuilding steel, special alloys, and consumables, aiming at nations with expanding defence budgets and a preference for indigenous equipment.

Invest in Research and Development (R&D)

Investing heavily in Research and Development (R&D), the company aims to broaden its product range and enhance its manufacturing processes. A skilled team of engineers spearheads complex product development, positioning the company at the forefront of technological innovation. This dedication to R&D has enabled continuous upgrades in manufacturing technology and processes.

The company's strong focus on R&D has resulted in a diverse product lineup for the defense and dairy sectors. Key products include bulb bars, bhukhari, Weld consumables and Special profile for T-90 tanks for the Indian Armed Forces, as well as pioneering innovations such as the Solar BMC and Robotic Milk Collection Unit for dairy applications. This emphasis on R&D highlights the company's capability to adapt to evolving market demands and sustain its industry leadership.

Strengthen Supply Chain Management

An effective and resilient supply chain plays a pivotal role in ensuring prompt delivery and cost-effectiveness. Krishna Defence can concentrate on fortifying its supplier network, guaranteeing consistent access to raw materials, and nurturing enduring collaborations with essential vendors. This approach will mitigate disruptions and elevate their overall production efficiency.



Threats

Fluctuations in Raw Material Prices

Relying on raw materials such as steel and various alloys, Krishna Defence is susceptible to price fluctuations in these commodities, which can moderately influence their production costs and profitability. To address this risk, the company can deploy efficient hedging strategies and consider diversifying their supplier base to explore alternative sources.

Political and Economic Instability

Geopolitical tensions and economic downturns present another layer of risk for the Company. Political instability in key markets can lead to disruptions in supply chains, increased operational costs, and challenges in contract execution. Similarly, economic instability, such as recessions or financial crises, can reduce government defence budgets, leading to decreased demand for defence products and services. These factors can adversely affect the Company's business operations, revenue streams, and growth prospects. To mitigate these risks, the company should develop robust risk management frameworks, diversify its market presence to reduce dependence on any single sector, and maintain strong relationships with key stakeholders. By preparing for potential political and economic disruptions, the Company can enhance its resilience and safeguard its business interests.

Risks and concerns

Risk	Description	Mitigation strategy
Market risk	As a notable player in the defence and dairy sector, the company's earnings are contingent upon economic growth-related developments.	The company is dedicated to broadening its portfolio and clientele while fostering technology-driven collaborations with prominent global firms. With escalating geopolitical tensions worldwide, the government recognizes the imperative of fortifying India's defence for the future.
Innovation risk	The inability to achieve breakthrough innovation aligned with evolving consumer preferences poses a risk to earnings.	The company emphasizes innovation, since it has a well-equipped R&D facility staffed by skilled professionals dedicated to developing superior products that align with contemporary trends.
Data security and cyber risk	The business faces data and cybersecurity risks due to its complex nature. Any lapse in security could have detrimental effects on the business.	The company has made investments to ensure the robust protection of its data. Its advanced IT and ERP systems are capable of safeguarding data security and mitigating cyber risks effectively.
Environmental footprints- Waste management	Inadequate management of waste and hazardous substances can endanger employee well-being and safety, and lead to significant environmental harm, such as soil and water contamination.	The company implements a well-established waste management protocol to ensure proper disposal in accordance with waste categorization outlined by the State Pollution Control Boards. The Company also plans to install Solar Power and target is to generate upto 50% through renewable energy sources

Manufacturing

Krishna Defence & Allied Industries Limited (KDAIL) upholds stringent quality standards and continuously advances its manufacturing processes. The company's commitment is reflected in its ISO 9001:2015 certification, NABL-approved in-house testing facilities, and a skilled workforce of 30+ engineers and 2 metallurgists. Recent upgrades include significant capacity expansions with advanced machinery such as press machines, lathe machines, wire drawing machines, melting furnaces, and induction machines. The company has integrated CNC machining, automated welding, and precision fabrication technologies to enhance product quality and efficiency. In-house capabilities extend to designing and manufacturing critical assemblies and precision components, supported by a new heat treatment plant for shipbuilding steel sections and an ERP-based procurement system for streamlined inventory management. The company's manufacturing plants in Kalol and Halol, Gujarat, are equipped with ISO-certified quality management systems, ensuring high standards in every product.

Quality control

In the industries served by the company, adherence to quality standards is paramount to avoid cancellation of purchase orders due to defects or non-compliance with customer specifications. To ensure quality, the quality control team conducts thorough checks at every stage of the manufacturing process, from raw material identification to final assembly. The company offers a warranty period of typically 12 months from the date of delivery, during which any manufacturing defects are repaired or replaced at their expense. Additionally, depending on the customer, the company may be required to provide performance bank guarantees to ensure timely supply of goods and avoid penalties for delays.

Human resources

The company has a diverse workforce that collaborates to maintain high service standards while adhering to industry best practices in HR policies. The company focuses on increasing the representation of female employees to meet diversity goals, recognizing that a contented workforce enhances efficiency and productivity. The company attracts top talent and encourages cross-functional collaboration to cultivate an inclusive work environment. With a commitment to growth, the company empowers employees through various training programs, leadership development modules, and engagement sessions. These initiatives encompass product and process training, behavioural training, sales training, self-management programs, and fraud and risk management training. Utilizing HR analytics, the company ensures smooth leadership

transitions through succession planning for the executive committee, emphasizing organizational fit. Engaging employees through regular meetings virtual sessions, workshops, and confluences, the company provides platforms for interaction with business leaders, talent showcasing, and family engagement. Additionally, the company offers long-term incentives, stock options, and competitive compensation to retain its top talent.

260

Total number of employees as on
31st March, 2024

Internal control systems and adequacy

The Company maintains robust internal control procedures tailored to its size and activities. It believes that safeguarding assets and enhancing operational efficiency are achievable through the implementation of adequate internal controls and the standardization of operational processes. These internal controls and risk management mechanisms adhere to the principles and criteria outlined in the corporate governance code of the organization. They are seamlessly integrated into the overall organizational structure of both the Company and the Group, involving various personnel who collaborate effectively in fulfilling their respective duties. The Board of Directors provides guidance and strategic oversight to the Executive Directors and management, overseeing monitoring and support committees.

Disclosure of Accounting Treatment

The financial statements for the year ended 31st March, 2024 have been prepared as prescribed in accounting standards and there is no change in treatment of the said accounting standards. Therefore, no explanation by the management is required for the same.

Cautionary statement

The statements made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand-supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

Annexure II

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

Disclosures Of Particulars With Respect To Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo As Required Under Clause (E) Of Sub Section (1) Of Section 134 (3)(M) Of the Companies Act, 2013.

FY 2023-2024

A. CONSERVATION OF ENERGY:

(i)	The steps taken or impact on the conservation of energy;	:	Nil
(ii)	The steps taken by the company for utilizing alternate sources of energy;	:	Nil
(iii)	The capital investment on energy conservation equipment;	:	Nil

B. TECHNOLOGY ABSORPTION:

(i)	The efforts made towards technology absorption;	Yes, Developed ABS & DNV Grade Steel and Sections
(ii)	The Benefits derived like product improvement, cost reduction, product development or import substitution;	Product Development or Import Substitution
(iii)	In case of imported technology (imported during the last 5 years reckoned from the beginning of financial year) -	NA
	a) The details of technology imported ;	NA
	b) The year of Import;	NA
	c) Whether the technology been fully absorbed	NA
	d) If not fully absorbed, areas where absorption has not taken place, and reasons there of; and	NA
(iv)	The expenditure incurred on research and development.	₹ 50,00,000/-

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

	Particulars	Current Year (Amount in Lakhs)
A)	Foreign Exchange Earning	66.56
B)	Foreign Exchange Outgo	
1.	CIF Value of Capital Goods	-
2.	CIF Value of inputs	337.49
3.	Other	-
	Total (B)	404.05

Annexure III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Krishna Defence and Allied Industries Limited** having (CIN): L74900MH2013PLC248021 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024 (audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2024 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the company during the audit period)
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the company during the audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the company during the audit period)
 - (i) The Securities and Exchange Board of India (Listing and Obligations Disclosure Requirements) 2015.
- VI. As informed to us other laws specifically applicable to the company are as under:
 1. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 2. The Factories Act, 1948
 3. The Industrial Employment (Standing Orders) Act, 1946
 4. The Maternity Benefit Act, 1961
 5. The Minimum Wages Act, 1948
 6. The Payment of Wages Act, 1936
 7. The Negotiable Instruments Act, 1881
 9. The Payment of Gratuity act, 1972
 10. The Workmen's Compensation Act, 1922
 11. The Contract Labour (Regulation & Abolition) Act, 1970
 12. The Industrial dispute Act, 1947

13. The Payment of Bonus Act, 1965
14. The Employment Exchange Act, 1959
15. The Apprentice Act, 1961
16. The Equal Remuneration Act, 1976
17. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In respect of above laws specifically applicable to the Company, we have relied on information /records produced by the company during the course of our audit on test check basis and limited to that extent, the company has complied with the above laws applicable to the company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the National Stock Exchange. Now Disclosure under SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

During the period under review, there was no change in the Composition of the Board of Directors except for the following:

1. Resignation of CS Charmi Shah, Company Secretary & Compliance Officer of the Company with effect from 7th March, 2024.
2. Cessation of Mr. Sandeep Ramrao Kadam as Whole-time Director with effect from 9th March, 2024 on account of the expiry of his term of appointment as Whole-time Director and continued to act as Director of the Company.

Following changes incorporated after the end of financial year but before the issuance of this report:

1. Appointment of Mr. Sandeep Ramrao Kadam, Director as Whole-time Director with effect from 25th May, 2024.
2. Appointment of Ms. Gunjan Bhagtani as Company Secretary & Compliance Officer of the Company with effect from 1st June, 2024.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven

days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has following major events:

1. Conversion of 8,46,000 warrants into 8,46,000 Equity shares of face value of ₹ 10/- each out of the warrants allotted on 08.02.2023 on Preferential Basis to Strategic Investors not forming part of the Promoter or Promoter Group entity.
2. Allotment of 8,60,000 Convertible Warrants on Preferential basis at a price of ₹ 304/- per warrant each convertible into, or exchangeable for, 1 fully paid-up equity share of the Company having face value of 10/- at a premium of ₹ 294/- per share aggregating to ₹ 26,14,40,000 /- at the Board Meeting held on 1st February, 2024.
3. Allotment of 14,11,026 Equity Shares on Preferential basis at a price of ₹ 304/- per Equity Share each having face value of 10/- at a premium of ₹ 294/- aggregating to ₹ 4,28,951,904/- at the Board Meeting held on 1st February, 2024.

For DRP & Associates.
Company Secretaries

Ruchita Tushar Patel

ACS No. 41685

C P No.: 15669

PR:1204/2021

UDIN: A041685F000585239

Place: Vadodara

Date: 18-06-2024



Annexure A

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

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

1. Maintenance of the secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. Further, our audit report is limited to the verification and reporting of the statutory compliances on laws / regulations / guidelines listed in our report and the same pertain to the Financial Year ended on 31st March, 2024.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
6. The compliance of the provisions of the Corporate and other applicable Laws, Rules, Regulations and Standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For DRP & Associates.

Company Secretaries

Ruchita Tushar Patel

ACS No. 41685

C P No.: 15669

PR:1204/2021

UDIN: A041685F000585239

Place: Vadodara
Date: 18-06-2024

Annexure IV

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

Sr. No.	Requirements	Disclosure	
I.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	MD	25 times
		WTD	16.5 times
II.	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	CFO	20%
		CS	12%
		WTD	22%
III.	The percentage increase in the median remuneration of employees in the financial year	185%*	
IV.	The number of permanent employees on the rolls of the Company as on 31 st March, 2024	260	
V.	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Nil	
VI.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, it is confirmed	

* The percentage is due to a change in no. of employees from 242 to 159 and therefore change in the base value for the calculation of median remuneration.

Annexure V

Annual Report on CSR Activities for the Financial Year 2023-24 (Pursuant to Section 135 of the Companies Act read with CSR Rules, 2014)

1. Brief Outline on CSR Policy of the Company:

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and the amendments thereto. Pursuant to provisions of Section 135 of the Companies Act, 2013, the Company has also formulated a Corporate Social Responsibility Policy which is available on the website of the Company at <https://krishnaallied.com/wp-content/uploads/2022/03/New-CSR-Policy.pdf>

The primary objectives of the Company's CSR Policy are:

- a) **Education:** Enabling underprivileged children and youth overcome poverty through education and to reach their full potential, by boosting their aspirations, improving their skill set. The Company will work across the education continuum – primary, secondary and tertiary levels leading up to employability. The Company will also work directly or with partners to provide life skills to children, youth and adults thereby boosting their confidence and improving their employability.
- b) **Healthcare:** providing end-to-end access to affordable and quality healthcare to children, youth and adults from socially and economically backward background. This includes preventive & early screening of diseases, curative & operative healthcare for fatal diseases as well as capacity building for hospitals & institutions.

This Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed as Annexure V to the Board's Report

2. Composition of CSR Committee:

The Composition of the CSR Committee is as below:

Sr. No.	Name of Director	Designation in Committee	No. of CSR Committee meetings held during the year	No. of CSR Committee meetings attended during the year
1.	Mr. Ankur Ashwin Shah	Chairman	2	2
2.	Mr. Divyakant Ramniklal Zaveri	Member	2	2
3.	Mr. Sandeep Ramrao Kadam	Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<https://krishnaallied.com/>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Not Applicable.

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 429.57 Lakhs

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 8.59 Lakhs

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Not Applicable

(d) Amount required to be set-off for the financial year, if any: Not Applicable

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 8,59,000/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 9,00,000/-

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 9,00,000/-

(e) CSR amount spent or unspent for the Financial Year:-

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹ 9,00,000/-	Nil	NA	NA	NA	NA

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	8,59,000
(ii)	Total amount spent for the Financial Year	9,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	41,000
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	41,000

7. Details of Unspent CSR amount for the preceding three financial years:

Sr. No	Preceding Financial Years	Amount transferred to unspent CSR Account under Section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding Financial Years (in ₹).	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY-1							
2	FY-2							
3	FY-3							

NIL

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:



Yes



No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Not applicable

Sd/-

Ankur Ashwin Shah

CSR Chairman

DIN:01166537

Sd/-

Sandeep Kadam Ramrao

Director

DIN:06841164

Annexure VI

FORM NO. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Sr. No.	Particulars	Details						
1	Details of contracts or arrangements or transactions not at arm's length basis	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2	Details of material contracts or arrangement or transactions at arm's length basis							
A	Name(s) of the related party	Krish Industries Private Limited	Krish Industries Private Limited	Krish Industries Private Limited	Waveoptix Defence Solution Private Limited	White Gold Technologies LLP	White Gold Technologies LLP	White Gold Technologies LLP
B	Nature of Relationship	Common Directors	Common Directors	Common Directors	Associated Enterprise	Directors having Partnership	Directors having Partnership	Directors having Partnership
C	Nature of contracts / arrangements / transactions	Purchase of Goods	Sales of Kitchen & Dairy Equipment's	Rent paid	Purchase of goods	Sales of Cans and Milking Machine.	Rent/License fees Received for letting out Plot No. 121/23-24, GIDC Kalol, District-Panchmahal, State of Gujarat, admeasuring 1212 square meters with shade and structure on a leave and licence basis for carrying out permitted business activity in favour of White Gold Technologies LLP.	Purchase of traded goods, milking parlour boughtouts, cow grooming brush boughtouts
D	Duration of the contracts/ arrangements/ transactions	On continuous basis	On continuous basis	Monthly basis	On continuous basis	On continuous basis	w.e.f. 01.04.2017	On continuous basis
E	Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 192.04 lakhs during the F.Y. 2023-24.	₹ 0.62 lakhs during the F.Y. 2023-24.	₹ 28.80 during the F.Y. 2023-24.	₹ 59.59 during the F.Y. 2023-24.	₹ 3.74 lakhs/- during the F.Y. 2023-24.	₹ 3.06 during the F.Y. 2023-24.	₹ 314.83 lakhs during the F.Y. 2023-24.
F	Date(s) of approval by the Board, if any	NA	NA	NA	NA	NA	NA	NA
G	Amount paid as advances, if any:	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Annexure VII

Form AOC- I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries: Nil

Part B Associates and Joint Ventures Statement pursuant to Section 129 (3) of the Companies Act, 2013, related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates or Joint Ventures	Waveoptix Defence Solution Private Limited
1.	Latest audited Balance Sheet Date	31 st March, 2024
2.	Date on which the Associate or Joint Venture was associated or acquired	04 th August, 2023
3.	Shares of Associate or Joint Ventures held by the company on the year end No.	2,500 Shares of face value of ₹ 10 each
	Amount of Investment in Associates or Joint Venture	₹ 25,000
	Extent of Holding (in percentage)	25 %
4.	Description of how there is significant influence	Not Applicable
5.	Reason why the associate/Joint venture is not consolidated.	Not Applicable
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 1,92,544
7.	Profit or Loss for the year	₹ 6,70,174
	i. Considered in Consolidation	₹ 1,67,543
	ii. Not Considered in Consolidation	₹ 5,02,631

Notes:

- Names of associates or joint ventures which are yet to commence operations.: Nil
- Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For Krishna Defence and Allied Industries Limited

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

Ankur Ashwin Shah
 Managing Director
 DIN: 01166537
 Place: Vadodara
 Date:25.05.2024

Pareen Shah
 Partner
 Mem no. 125011
 Place: Vadodara
 Date:25.05.2024

Piyush Harjibhai Patel
 Chief Financial Officer
 Place: Vadodara
 Date:25.05.2024

Sandeep Ramrao Kadam
 Whole Time Director
 DIN:06841164
 Place: Vadodara
 Date:25.05.2024



Financial Statements

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 2024, 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, 2024, its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

The Company's Management and Board of Directors is responsible preparation the other information. The other information comprises the information included in the Management discussion and analysis, board's report including Annexure to Board's Report, Shareholder's information, but does not include the financial statements and our auditor's report thereon. The Board's Report including Annexure to Board's Report, and Shareholder's Information are expected to be

made available to us after the date of this auditor's report. Any Material misstatement thereon pertaining to it, will be reported thereon.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Management and 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 Management and 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 and Board of director'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 (Also Refer Note 2(h)(vi));
 - (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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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 30.A** to the financial statements;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

- iii. The company is not required to be transferred any amount, to the Investor Education and Protection Fund by the Company.
- iv. i. The Management has represented that, to the best of it's knowledge and belief, as disclosed in note no. 32.H(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- ii. The Management has represented that, to the best of it's knowledge and belief, as disclosed in note no. 32H(vi) to the financial statements, that no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. The Company has not declared or paid any dividends during the period.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except in respect of maintenance of Inventory records wherein the software did not have the audit trail feature enabled throughout the year. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For, **C N K & Associates LLP**
Chartered accountants
FRN: 101961W/W-100036

Date: 25th May, 2024
Place: Vadodara
UDIN

Pareen Shah
Partner
Mem. No. 125011

Annexure “A” to the Independent Auditor’s Report

Referred to in Para I ‘Report on Other Legal and Regulatory Requirements’ in our Independent Auditor’s Report to the members of the Company on the Financial Statements for the year ended 31st March, 2024.

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

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

- III. (a) The Company has, during the year, made investments in associate, granted unsecured loan to employees and associate Company. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans to associate and to parties other than associate are as per the table given below:

Unsecured Loans	No. of Parties	Aggregate amount granted/ provided during the year (₹ In Lakhs)	Balance Outstanding as at balance sheet date in respect of loans (₹ In Lakhs)
Associate	1	215.60	215.60
Employee	13	3.27	12.24

- (b) In respect of the aforesaid investments and loans including loan to employees (which are interest free), the terms and conditions under which such investments were made and loans were granted are not prejudicial to the Company’s interest;
- (c) In respect of the aforesaid loan (other than loan to employees), the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable. In respect of the loans to employees, the schedule of repayment of principal amount has been stipulated, and the employees are repaying the principal amount as stipulated in a regular manner. Payment of interest is not applicable as these employee loans are interest free in nature;
- (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 loans granted during the year (other than loan to employees), including to related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. Further, the loans granted to employees during the year had stipulated the scheduled repayment of principal and the same were not repayable on demand. Other than that mentioned above, the company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnership or any other parties;
- IV. Based on our verification of the documents provided to us and according to the information and explanations given by the Management, in respect of loans, investments, guarantees, and security, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013;

- V. The Company has not accepted any deposits or amounts which are deemed to be deposits during the year and therefore, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable to the Company;
- VI. We have broadly reviewed the cost records maintained by the Company as prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act and are of the opinion that prima facie the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;
- VII. (a) In our opinion, the company is generally regular in depositing undisputed statutory dues including Goods and Service tax, provident fund, employee state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues as applicable to the appropriate authorities. There were no undisputed amounts payable with respect to above statutory dues in arrears as at March 31, 2024 for a period of six months from the date they became payable;
- (b) According to the information and explanations given to us and the records examined by us, no statutory dues including Goods and Service tax, employee state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues as applicable to the appropriate authorities as at March 31, 2024 which have not been deposited on account of a dispute except following:
- | Name of Statute | Nature of Dues | Amount (₹ In lakhs)* | Period to which the amounts relates | Forum where dispute |
|------------------------------------|---------------------|----------------------|-------------------------------------|--|
| Employees Provident Fund Act, 1952 | Provident Fund | 62.52 | F.Y 2015-2019 | Central Government Industrial Tribunal Cum Labour Court. |
| Custom Act, 1962 | IGST on Custom Duty | 11.27 | July 2017 to March 2019 | Commissioner (Appeals) |
- *Net of amount paid under protest
- VIII. (a) As disclosed in note no. 32.H(vii) to the accounts and as verified by us, there were no transactions which were not recorded in the books of account, have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;
- IX. (a) The company has not defaulted on repayment of any loans or other borrowings or on payment of interest thereon.
- (b) As disclosed in note no. 32.H(ix) to the accounts and as verified by us, the company is not declared as wilful defaulter by any bank or financial institution or other lender;
- (c) Based on the procedures performed by us and according to the information and explanations given by the Management, the term loans taken by the company were applied for the purpose for which the loans were obtained;
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate. The Company did not have any subsidiaries or joint venture company during the year.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate. The Company did not have any subsidiaries or joint venture company during the year.
- X. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and as mentioned in note no. 5 to the financial statement, the company has made preferential allotment of share warrants during the year. In respect of this allotment, we further report that –
- i) the requirement of section 42 and 62 of the Companies Act, 2013 as applicable, have been complied with; and
- ii) the amount raised during the year have been applied by the company as follow
- | Particular | Amount ₹ In Lakhs |
|---|-------------------|
| opening unutilized balance | – |
| Total Amount Raised during the year | 5,831.42 |
| Amount utilized for the purpose for which funds were raised | 2,331.42 |
| Unutilized balance as at balance sheet date* | 3,500.00 |
- * The Unutilized balance as at balance sheet date is invested in the short-term fixed deposit.
- 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 have received during the year by the company.
- XII. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;
- XIII. In our opinion, all the transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards;
- XIV. (a) In our opinion and the records examined by us, the company has an internal audit system commensurate with the size and nature of its business of the company;
- (b) We have considered report of the internal auditors for the period under audit;
- XV. According to the information and explanation given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with them. Hence, the provisions of Section 192 of the Act are not applicable;
- XVI. (a) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- XVII. The company has not incurred cash losses in the financial year and in the immediately preceding financial year;
- XVIII. There is no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) is not applicable;

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

- XX. (a) According to the information and explanation given to us and based on our examination of the records, company is not required to transfer any unspent amount to a Fund specified in Schedule VII to the Companies Act within period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act ;
- (b) According to the information and explanation given to us and based on our examination of the records, company is not required to transfer any amount remaining unspent under section 135(5) of the companies act pursuant to any ongoing project, to special account in compliance with the provision of section 135(6) of the said Act.

For, **C N K & Associates LLP**
Chartered accountants
FRN: 101961W/W-100036

Date: 25th May, 2024
Place: Vadodara
UDIN

Pareen Shah
Partner
Mem. No. 125011

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 2024 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 2024, 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

Date: 25th May, 2024
Place: Vadodara
UDIN

Pareen Shah
Partner
Mem. No. 125011



Standalone Balance Sheet as at March 31, 2024

(₹ in Lakh)			
Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	1,370.50	1,144.80
(b) Reserves and surplus	4	8,494.46	2,521.88
(c) Money received against Share Warrants	5	777.50	420.00
		10,642.46	4,086.68
2 Non-current liabilities			
(a) Long-term borrowings	6	116.48	637.60
(b) Deferred tax liabilities (Net)	31E	–	23.11
(c) Long-term provisions	7	29.33	15.85
(d) Other Non-current liabilities	8	25.00	–
3 Current liabilities			
(a) Short-term borrowings	9	826.50	1,214.37
(b) Trade payables	10		
(A) Total outstanding dues of Micro and small enterprises		105.92	219.74
(B) Total outstanding dues of creditors other than micro and small enterprises		1,218.18	2,037.98
(c) Other current liabilities	11	226.11	188.76
(d) Short-term provisions	12	157.93	44.09
		2,534.64	3,704.94
TOTAL		13,347.91	8,468.17
II. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets	13		
(i) Property, Plant and Equipment		1,462.38	1,233.90
(ii) Capital work in progress		3.22	206.05
(b) Non-current investments	14	1.02	1.00
(c) Long-term loans and advances	15	259.05	35.67
(d) Deferred tax Assets (Net)	31E	1.13	–
(e) Other non-current assets	16	663.51	375.07
		2,390.31	1,851.69
2 Current assets			
(a) Inventories	17	3,248.24	2,844.74
(b) Trade receivables	18	2,606.75	2,688.44
(c) Cash and Bank Balance	19	4,415.94	790.75
(d) Short Term loans and advances	20	95.33	226.28
(e) Other current assets	21	591.35	66.28
		10,957.60	6,616.49
TOTAL		13,347.91	8,468.17

As per our report of even date

For CNK & Associates LLP

Chartered Accountants

FRNo. : 101961W/W-100036

Pareen Shah

Partner

Mem no. 125011

Place: Vadodara

Date: 25th May, 2024

For and on behalf of the Board of Directors

Ankur Ashwin Shah

Managing Director

DIN : 01166537

Piyush Harjibhai Patel

Chief Financial Officer

Place: Vadodara

Date: 25th May, 2024

Sandeep Ramrao Kadam

Whole Time Director

DIN : 06841164

Standalone Statement of Profit and Loss for the year ended March 31, 2024

(₹ in Lakh)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
I. Revenue from operations	22	10,642.80	6,365.33
II. Other income	23	125.32	95.28
III. Total Income		10,768.12	6,460.61
IV. Expenses:			
Cost of materials consumed	24	4,630.82	1,803.65
Purchases of Stock-in-Trade	25	832.89	2,643.95
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	26	175.80	(1,130.94)
Employee benefit expenses	27	1,233.56	918.35
Finance costs	28	135.71	110.26
Depreciation and amortization expenses	13	215.69	196.81
Other expenses	29	2,225.94	1,245.36
Total expenses		9,450.42	5,787.44
V. Profit before tax		1,317.70	673.17
VI. Tax expense:			
Current tax		362.30	145.11
Tax of earlier years (Net)		0.68	5.42
Deferred tax Liability/(Asset)		(24.24)	(6.95)
VII. Profit for the year (V-VI)		978.96	529.59
VIII Earnings per equity share:			
Basic	31(D)	8.05	4.63
Diluted		7.85	4.63

As per our report of even date

For CNK & Associates LLP

Chartered Accountants

FRNo. : 101961W/W-100036

Pareen Shah

Partner

Mem no. 125011

Place: Vadodara

Date: 25th May, 2024

For and on behalf of the Board of Directors

Ankur Ashwin Shah

Managing Director

DIN : 01166537

Sandeep Ramrao Kadam

Whole Time Director

DIN : 06841164

Piyush Harjibhai Patel

Chief Financial Officer

Place: Vadodara

Date: 25th May, 2024

Standalone Cash Flow Statement for the year ended 31st March, 2024

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024		For the year ended 31 st March, 2023	
A Cash Flow from Operating Activities				
Profit before exceptional items, prior period items and tax:		1,317.70		673.17
Adjustments for :				
Depreciation /amortization	215.69		196.81	
Profit/Loss on sale of Property, Plant & equipments	(5.37)			
Amount no longer payable written back	—		(25.22)	
Rent Income	(3.06)		(3.66)	
Unrealised foreign exchange gain loss	0.15		(5.74)	
Provision for doubtful debts and other deposits	69.13		13.28	
Interest received	(115.63)		(51.38)	
Investment written off	0.23		—	
Interest on Income Tax	8.45		—	
Interest Expense	125.82		101.36	
		295.41		225.45
Operating Profit before working capital changes		1,613.11		898.62
Adjustments for:				
(Increase)/Decrease in Trade receivables	12.57		(515.05)	
(Increase)/Decrease in Inventories	(403.50)		(1,273.50)	
(Increase)/Decrease in Loans and Advances	118.97		(185.44)	
(Increase)/Decrease in Other Non Current Assets	(23.13)		6.52	
(Increase)/Decrease in Other Current Assets	(525.07)		(16.85)	
Increase/(Decrease) in Trade Payable	(933.98)		889.05	
Increase/(Decrease) in Liabilities and Provisions	88.87		(391.91)	
		(1,665.27)		(1,487.19)
Cash generated from Operations		(52.17)		(588.57)
Less : Direct taxes paid (Net of refund, if any)		(270.63)		(141.23)
Cash flow before extraordinary items		(322.80)		(729.80)
Net cash from Operating Activities (A)		(322.80)		(729.80)
B Cash Flow from Investing Activities				
Purchase of Property plant & Equipment's		(243.22)		(276.45)
Proceeds from Sale of Property plant & Equipment's		11.47		—
Investment in Associate		(0.25)		—
Loan to Associate		(215.60)		
(Increase)/Decrease in Other bank balances		(3,389.88)		364.59
Rent Received		3.06		3.66
Interest received		115.63		51.38
Net Cash used in Investing Activities (B)		(3,718.80)		143.18

Standalone Cash Flow Statement for the year ended 31st March, 2024

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024		For the year ended 31 st March, 2023	
C Cash Flow From Financial Activities				
Proceeds from Issue of Share capital(net of issue expenses)		4,923.22		725.16
Proceed from issue of Share Warrants		653.60		420.00
Repayment of Long Term Borrowings		(589.34)		(106.40)
Increase/(Decrease) in Short term Borrowings		(319.66)		(350.10)
Interest paid		(125.82)		(101.36)
Net cash used Financing Activities (C)		4,542.01		587.30
Net increase in cash and cash equivalents (A+B+C)		500.42		0.68
Cash and cash equivalents at the beginning of the year		9.26		8.58
Cash and cash equivalents at the end of the year		509.68		9.26
Components of Cash & Cash Equivalents				
Cash on hand		1.87		1.37
Balance with schedule banks				
In Current Account		6.78		7.89
Fixed deposit with the original maturity with less than 3 Months		501.03		—
Cash and Cash Equivalents		509.68		9.26

Note:-

I Figures in the brackets represents cash outflow.

As per our report of even date

For CNK & Associates LLP

Chartered Accountants

FRNo. : 101961W/W-100036

Pareen Shah

Partner

Mem no. 125011

Place: Vadodara

Date: 25th May, 2024

For and on behalf of the Board of Directors

Ankur Ashwin Shah

Managing Director

DIN : 01166537

Sandeep Ramrao Kadam

Whole Time Director

DIN : 06841164

Piyush Harjibhai Patel

Chief Financial Officer

Place: Vadodara

Date: 25th May, 2024

Notes on Standalone 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 listed on the SME platform of National Stock Exchange i.e. NSE Emerge.

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

2. Statement on Significant Accounting Policies

a) Basis of Preparation

Basis of accounting and preparation of financial statements:

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

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

b) Use of estimates

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

c) Property , Plant and Equipment

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.

Notes on Standalone 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

d) Impairment

- 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.

- After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

e) Assets Held for Disposal

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

f) Inventories

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

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

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

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

g) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current

Notes on Standalone Financial Statements

investments. All other investments are classified as Non Current investments.

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

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

Investment properties

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

h) Revenue Recognition

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

Sale of goods

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

Interest

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

Rent Income

Income is recorded on accrual basis per terms of agreement,

Other Income

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

i) Foreign Currency Transaction

Initial Recognition

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

Conversion

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

Exchange Differences

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

j) Operating Lease

Where the Company is the lessee

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

k) Taxation

Tax expense comprises current and deferred taxes. Current income-taxes measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India.

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

l) Employee Benefits

i. Short-term Employee benefits

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

ii. Defined contribution plan

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

iii. Defined benefit Plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial

Notes on Standalone Financial Statements

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

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

iv. Long term Employee benefits

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

m) Borrowing Costs

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

n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

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

o) Provisions and contingencies

Provisions are recognized when an enterprise has a present obligation as a result of past event for which it is probable

that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the best current estimates.

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

p) Segment Reporting Policies

Identification of segments:

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

Allocation of common costs:

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

Unallocated items:

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

Segment Policies:

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

q) Cash and Cash Equivalents

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

r) Cash Flow Statement

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

Notes on Standalone Financial Statements

NOTE No. 3 :SHARE CAPITAL

(i) Details of share capital

(₹ in Lakh)

Particulars	As at March 31, 2024		As at 31 st March, 2023	
	Number of Shares	₹	Number of Shares	₹
Authorized				
Equity Shares of ₹ 10/- each with voting rights	15,000,000	1,500.00	15,000,000	1,500.00
Issued				
Equity Shares of ₹ 10/- each with voting rights	13,705,026	1,370.50	11,448,000	1,144.80
Subscribed & Paid up				
Equity Shares of ₹ 10/- each with voting rights	13,705,026	1,370.50	11,448,000	1,144.80
Total	13,705,026	1,370.50	11,448,000	1,144.80

(ii) Reconciliation of the Number of shares and amount outstanding at the beginning and at the end of the reporting period:

(₹ in Lakh)

Particulars	As at March 31, 2024		As at 31 st March, 2023	
	Number of Shares	₹	Number of Shares	₹
Opening Balance	11,448,000	1,144.80	8,400,000	840.00
Add: Bonus share issued during the year	—	—	—	—
Add: Fresh Issue of equity shares	2,257,026	225.70	3,048,000	304.80
Closing Balance	13,705,026	1,370.50	11,448,000	1,144.80

(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.

(iv) Shares allotted as fully paid-up :

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

(v) Details of shares held by promoters

Promoters name	Number of shares held	As at 31 st March, 2024		As at 31 st March, 2023	
		% holding in that class of shares	% of Change during the period	% holding in that class of shares	% of Change during the period
Ankur Shah	5,253,890	38.34%	-7.56%	45.89%	-16.65%

(vi) Details of shares held by each shareholder holding more than 5 % shares :

Classes of Shares/Name of Shareholder	As at 31 st March, 2024		As at 31 st March, 2023	
	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	38.34%	5,253,890	45.89%
Krish Commodities (India) LLP (Formerly known as Krish Commodities Private Limited	588,000	4.29%	588,000	5.14%
Krish Industries Private Limited	840,000	6.13%	840,000	7.34%
Pallavi Shah	1,633,710	11.92%	1,633,710	14.27%

Notes on Standalone Financial Statements

NOTE NO. 4 : RESERVES AND SURPLUS

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Security Premium Account		
Opening Balance	757.32	–
Add: Received on issue of Equity shares during the year	5,248.22	883.92
Less : Utilised for meeting share issue expenses ((Refer below Note No (i))	254.60	126.60
Closing Balance	5,750.94	757.32
(b) Surplus		
Opening balance	1,764.55	1,234.97
Add : Surplus in statement of Profit and Loss	978.96	529.59
Closing Balance	2,743.51	1,764.55
Total (a)+(b)	8,494.46	2,521.88

- (i) (a) Pursuant to Section 52 of the Companies Act , 2013 , Securities Premium account has been utilized against share issue expenses related to Issue management fees, professional fee and other expenses incurred amounting to ₹ 254.60 lakhs related to the preferential issue of equity shares during the year.
- (b) Pursuant to Section 52 of the Companies Act , 2013 , Securities Premium account has been utilized against share issue expenses related to Issue management fees, brokerage fees ,professional fee and other expenses incurred amounting to ₹ 126.59 lakhs related to the public issue of shares of the company and listing of the Equity Shares of the company on NSE Emerge Exchange during the Previous year

NOTE NO. 5 : MONEY RECEIVED AGAINST SHARE WARRANT

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Money received against share warrant (Refer below note)	777.50	420.00
Total	777.50	420.00

Note:

Reconciliation of Number of Warrants outstanding at the end of the year

(Numbers)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening number of Convertible Equity warrants (Exercise Price ₹ 140/-)	1,200,000	–
No of Convertible Equity warrants issued during the year (Exercise Price CY ₹ 304/- (PY ₹ 140/-))	2,271,026	1,200,000
No of Convertible Equity warrants converted in to equity shares during the year	2,257,026	–
Closing Number of Convertible Equity warrants	1,214,000	1,200,000
No of Convertible Equity warrants outstanding		
Out of the Opening	354,000	–
Out of the Convertible Equity warrants issued during the year	860,000	–

Reconciliation of Amount received towards Warrants

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Value of Money Received Against Share Warrant	420.00	–
Money Received Against Share Warrant during the year	653.60	420.00
Money Received Against Share Warrant utilised for issue of share	296.10	–
Closing value of Money Received Against Share Warrant	777.50	420.00

During the year , the company has issued and allotted on preferential basis, 8,60,000 No. of share warrants at price of ₹ 304/- each, convertible into or exchange for, one fully paid-up equity shares of the company having face value of ₹ 10/- at a premium of ₹ 294/- against every warrant held, in one or more tranches within a maximum period of 18 months from the date of allotment of warrants. Further, the company has received upfront premium of 25% of the warrant issue price i.e. ₹ 653.60 lakhs.

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

Notes on Standalone Financial Statements

NOTE NO. 6 : LONG TERM BORROWINGS

(₹ in Lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
(a) Term Loans (Refer note 6(i))		
- Secured		
(i) From Banks	–	155.82
Total	–	155.82
Less: Current Maturities of long - term debts	–	68.22
	–	87.60
(b) Loans from directors (unsecured) (Refer note 6(ii))	116.48	550.00
Total	116.48	637.60

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

(₹ in Lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
(i) Axis Bank - ECLGS Term loan - 2	–	69.33
(The above loans are secured by way of first charge on entire present and future movable fixed asset of the company. The above facilities are also secured by way of charge on entire present and future current asset of the company. The above facilities are further secured by way of equitable mortgage on shed no. 121/8, 121/9, 121/20 to 22 and Shed no. 121/23 & 121/24 situated at Kalol, equitable mortgage on property situated at Flat no. B-302, Shivam Residency Tower, Opp. Urmi School, B/h Gangotri Party Plot, Samasavli Road, Vadodara - 390 002 which is owned by the director and lien on fixed deposits of ₹ 462.00 lakhs. The facility is further secured by way of personal guarantee of the Managing Director. Interest rate is 8.90% linked to repo rate (i.e.5.90%+3%). TL -1 Loan principal amount is repayable in 60 Equal Monthly Instalment of ₹ 3.00 Lakhs after the end of moratorium period of 6 months). TL-2 Loan principal amount is repayable in 36 Equal Monthly Instalment of ₹ 4.33 Lakhs after the end of moratorium period of 12 months)		
(ii) Punjab National Bank - office Loan	–	86.49
(Loan is secured by of mortgage of office owned by company situated at Unit No. 344, 3rd Floor, A to Z industrial Estate, Ganpatrao kadam Marg, Near Peninsula Corporate Park, Lower Parel (West), Mumbai-400013 and is collaterally secured by way of paripassu charge on immovable properties mortgaged with Axis Bank Limited, Fixed deposit of ₹ 113.50 Lakhs and personal guarantee of managing director . Interest rate is 6.95% i.e. Repo rate 4% +2.95. Loan principal amount is repayable in 74 Equal Monthly Instalment of ₹ 1.35 Lakhs.		
Total	–	155.82

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

(₹ in Lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
Non - Interest bearing loan	116.48	550.00
	116.48	550.00

NOTE NO. 7 : LONG TERM PROVISIONS

(₹ in Lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
(a) Provision for employee benefits		
(i) Provision for Compensated absences	17.73	15.85
(ii) Provision for Gratuity [Refer Note No- 31 (A)]	11.60	–
Total	29.33	15.85

Notes on Standalone Financial Statements

NOTE NO. 8 OTHER NON-CURRENT LIABILITY

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Security Deposits	25.00	—
Total	25.00	—

NOTE NO. 9 SHORT TERM BORROWINGS

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
(a) Current Maturities of long-term debt: (Refer below note i & ii)	—	68.22
(b) Loans repayable on demand		
— Secured		
(i) From Banks (refer below note (iii))	807.63	900.75
(c) Loans from directors (unsecured) (refer below note (iv))	18.86	245.40
Total	826.50	1,214.37

Note:

- (i) For details of security, Interest rate and repayment terms refer Note No.6 (i)
(ii) **Current Maturities of long-term debt**

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Secured - Term Loan		
— From Axis Bank ECLGS Term loan - 2	—	52.00
— From Punjab National Bank	—	16.22
	—	68.22

(iii) **Loan repayable on demand**

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Cash Credit		
— From Axis Bank	422.63	625.17
— From Punjab National Bank	385.00	275.59
	807.63	900.76

Axis Bank: The above facility is secured by way of hypothecation charge on entire present and future current asset of the company and by way of first charge on the entire movable fixed assets 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 ₹ 513.00 Lakhs. The facility is further secured by way of lien on LIC policy in name of Mr. Ankur Shah having surrender value of ₹ 62.00 Lakhs. The facility is further secured by way of personal guarantee of the Managing director. Interest rate is 9.40% i.e. Repo + 2.90%

Punjab National Bank: The above facility is primarily secured by way of pari passu hypothecation charge on entire stock and book debts of the company and is collaterally secured by way of pari passu charge on immovable properties mortgaged with Axis Bank Limited. Further, the loan is collaterally secured by way of exclusive charge on office owned by the company situated at Unit No. 344, 3rd Floor, A to Z Industrial Estate, Ganpatrao kadam Marg, Near Peninsula Corporate Park, Lower Parel (West), Mumbai-400013, Fixed deposit of ₹ 123.45 Lakhs and personal guarantee of managing director. Interest rate is 9.75% i.e. Repo rate 6.50% + Mark up 2.50% + BSP 0.25% + Spread 0.50%

Notes on Standalone Financial Statements

NOTE NO. 9 SHORT TERM BORROWINGS (Continue..)

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

(₹ in Lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
Interest bearing loan (Interest paid at 9%)	—	—
Non - Interest bearing loan	18.81	245.40
	18.81	245.40
Total	—	—

NOTE NO. 10 TRADE PAYABLES

(₹ in Lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
(i) Trade payables [Refer note no. 32(A) & 32(C)]		
– Total outstanding dues of Micro and small enterprises	105.92	219.74
– Total outstanding dues of Trade payables other than Micro and small enterprises	1,218.18	2,037.98
Total	1,324.11	2,257.72

NOTE NO 11 : OTHER CURRENT LIABILITIES

(₹ in Lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
Other payables		
(i) Salary & Wages Payable	64.99	55.47
(ii) Statutory dues payable	14.08	10.17
(iii) Tax Deducted at Source payable	12.68	12.06
(iv) Advances From Customers	121.34	93.83
(v) Security Deposits from dealers	0.25	0.25
(vi) Other Payables	12.77	16.98
Total	226.11	188.76

NOTE NO. 12 : SHORT TERM PROVISIONS

(₹ in Lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
(a) Provision for employee benefits		
(ii) Provision for Gratuity [Refer Note No- 31 (A)]	13.11	—
(ii) Provision for Bonus	27.56	26.86
(b) Provisions- Others		
(i) Provision for Warranties[Refer Note No- 33]	7.15	7.92
(ii) Provision for Income tax (Net of Taxes paid in advance)	110.11	9.31
Total	157.93	44.09

Notes on Standalone Financial Statements

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

(₹ in Lakh)

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 1 April 2023	Additions	Disposals/ transfers	Balance as at 31 March 2024	Balance as at 1 April 2023	Depreciation / amortization expense for the year	Eliminated on disposal of assets	Balance as at 31 March 2024	Balance as at 31 March 2024	Balance as at 31 March 2023
(i) Tangible Assets (Owned)										
(a) Land										
Freehold	153.94	–	–	153.94	–	–	–	–	153.94	153.94
(b) Buildings										
– Factory Building	362.40	55.22	–	417.62	221.89	17.85	–	239.74	177.88	140.51
– Office Premises	230.54	–	–	230.54	48.52	8.86	–	57.39	173.16	182.02
(c) Plant and Equipment	1,513.99	337.15	–	1,851.14	799.31	169.05	–	968.36	882.78	714.69
(d) Furniture and Fixtures	89.20	4.61	8.90	84.90	64.80	6.06	4.84	66.02	18.88	24.40
(e) Motor Vehicles	52.18	46.92	32.28	66.82	47.26	5.91	30.25	22.91	43.91	4.93
(f) Laboratory Equipment's	0.90	–	–	0.90	0.90	–	–	0.90	–	–
(g) Office equipment's	48.00	3.23	–	51.23	39.43	4.50	–	43.92	7.31	8.58
(h) Computer Equipment's	35.16	3.14	–	38.30	30.33	3.45	–	33.78	4.52	4.84
Total	2,486.32	450.26	41.18	2,895.41	1,252.42	215.69	35.09	1,433.02	1,462.38	1,233.90
Previous Year	2,415.93	70.40	–	2,486.32	1,055.61	196.81	–	1,252.42	1,233.90	1,360.31
(ii) Capital Work in Process										
(a) Capital Work in Progress	206.05	3.22	206.05	3.22	–	–	–	–	3.22	206.05
Total	206.05	3.22	206.05	3.22	–	–	–	–	3.22	206.05
Previous Year	–	206.05	–	206.05	–	–	–	–	206.05	–

Capital Work in Process

(₹ in Lakh)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Year	
As at 31 March 2024					
Projects in progress	3.22	–	–	–	3.22

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

(₹ in Lakh)

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 1 April 2022	Additions	Disposals/ transfers	Balance as at 31 March 2023	Balance as at 1 April 2022	Depreciation / amortization expense for the year	Eliminated on disposal of assets	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
(i) (Owned)										
(a) Land										
Freehold	153.94	–	–	153.94	–	–	–	–	153.94	153.94
(b) Buildings										
– Factory Building	362.40	–	–	362.40	204.77	17.12	–	221.89	140.51	157.63
– Office Premises	230.54	–	–	230.54	39.20	9.32	–	48.52	182.02	191.34
(c) Plant and Equipment	1,453.51	60.49	–	1,513.99	646.99	152.31	–	799.31	714.69	806.51
(d) Furniture and Fixtures	87.17	2.03	–	89.20	56.81	7.99	–	64.80	24.40	30.36
(e) Motor Vehicles	52.18	–	–	52.18	44.94	2.32	–	47.26	4.93	7.24
(f) Laboratory Equipment's	0.90	–	–	0.90	0.90	–	–	0.90	–	–
(g) Office equipment's	42.81	5.19	–	48.00	35.24	4.19	–	39.43	8.58	7.57
(h) Computer Equipment's	32.47	2.69	–	35.16	26.77	3.56	–	30.33	4.84	5.71
Total	2,415.93	70.40	–	2,486.32	1,055.61	196.81	–	1,252.42	1,233.90	1,360.31
Previous Year	1,884.18	531.74	–	2,415.93	888.06	167.56	–	1,055.61	1,360.31	996.13
(ii) Capital Work in Process										
(a) Capital Work in Progress	–	206.05	–	206.05	–	–	–	–	206.05	–
Total	–	206.05	–	206.05	–	–	–	–	206.05	–
Previous Year	339.23	141.49	480.72	–	–	–	–	–	–	339.23

Notes on Standalone Financial Statements

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

Capital Work in Process

CWIP	Amount in CWIP for a period of				(₹ in Lakh)
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Year	Carrying Amount
As at 31 March 2023	—	—	—	—	
Projects in progress	206.05	—	—	—	206.05

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

NOTE NO. 14 : NON CURRENT INVESTMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
	(₹ in Lakh)	(₹ in Lakh)
(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)	0.77	1.00
(a) Investment in Equity Shares - Unquoted		
Investment in Equity Shares of associates		
(a) Investment in Waveoptix Defence Solution Private Limited (C.Y. 2500 shares)	0.25	—
Total	1.02	1.00
Aggregate cost of investment in Mutual Funds	0.77	1.00
Aggregate cost of unquoted Investment in equity shares	0.25	—
Aggregate market value/(re-purchase price) of investment in Mutual Funds	0.97	0.90

NOTE NO. 15 : LONG TERM LOANS AND ADVANCES

Particulars	As at March 31, 2024	As at March 31, 2023
	(₹ in Lakh)	(₹ in Lakh)
Unsecured, considered good		
(a) Capital Advance	24.23	28.44
(b) Prepaid Expenses	19.22	7.24
(f) Loan to Related Party (Refer Note Below)		
(i) WaveOptix Defence Solution Private Limited (Refer Note 31G)	215.60	—
Total	259.05	35.67

Note: The Loan is given to the Associate company for the purpose of the business purpose. The loan is extended for the period of maximum five years. The company has charged the interest on above loan at a rate of 10% p.a.

NOTE NO. 16 : OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
	(₹ in Lakh)	(₹ in Lakh)
Unsecured, considered good		
(a) Security Deposits	89.48	87.39
Less: Provisions	2.88	3.09
	86.60	84.30
(b) Balances with government authorities	21.04	—
(c) Other Balances: (Refer below note (i))		
(i) Bank Balances held as margin money against Guarantees	417.72	157.84
(ii) Fixed Deposit with Bank	138.16	132.93
	555.87	290.77
Total	663.51	375.07

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

Notes on Standalone Financial Statements

NOTE NO. 17 : INVENTORIES

(At lower of cost and net realizable value)

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
(a) Raw Materials (Includes stock in transit of ₹ 275.14 lakhs (P.Y. ₹ Nil))	757.01	186.97
(b) Work-in-progress	2,287.53	2,518.52
(c) Finished goods (other than those acquired for trading)	–	1.21
(d) Stock-in-trade	65.42	49.01
(e) Stores, Spares and fuel	83.95	74.68
(f) Scrap	54.34	14.35
Total	3,248.24	2,844.74

NOTE NO. 18 : TRADE RECEIVABLES

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good [Refer note no. 32(D)]		
Trade receivables	2,686.28	2,698.63
Less: Provision for doubtful debt	79.53	10.19
Total	2,606.75	2,688.44

NOTE NO. 19 : CASH AND BANK BALANCES

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
(A) Cash and Cash Equivalents		
(a) Cash on hand	1.87	1.37
(b) Balances with Banks in current accounts		
– In current accounts	6.78	7.89
(c) Fixed deposit with the original maturity with less than 3 Months	501.03	–
	509.68	9.26
(B) Other Balances (Refer below note (i))		
(i) Bank Balances held as margin money against Guarantees	230.33	172.23
(ii) Fixed Deposit with Bank (Refer below note (ii))	644.08	609.25
(iii) Fixed Deposit with Bank	3,031.85	–
	3,906.26	781.48
Total	4,415.94	790.75

- (i) Bank deposits having maturity of less than 12 months.
- (ii) The above Fixed deposits is given as collateral security to the banks against the Fund based, Non fund based working capital limits and term loans availed from the Banks.

NOTE NO. 20 : SHORT TERM LOAN AND ADVANCES

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
(a) Advances for Expense - Employee	0.95	2.32
(b) Loan to employee	3.89	8.74
(c) Prepaid Expense	49.09	40.68
(d) Balances with government authorities	41.40	173.28
(e) TDS receivable from Financial Institution	–	1.26
Total	95.33	226.28

Notes on Standalone Financial Statements

NOTE NO. 21 : OTHER CURRENT ASSETS

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
(a) Advance to Suppliers and others (Refer below note)	591.35	62.57
(b) Gratuity Fund [Refer Note No- 31 (A)]	—	3.71
Total	591.35	66.28

Note:

This includes Advance for material given to White Gold Technologies LLP amounting to ₹ 227.77 lakhs in which the director of the company is partner.

NOTE NO. 22 : REVENUE FROM OPERATIONS

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(a) Sale of products(Refer note 22(i))	10,410.39	6,225.96
(b) Other Operating revenue(Refer note 22(ii))	232.41	139.38
Total	10,642.80	6,365.33

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

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
Sale of manufactured goods		
Defence Product	8,702.69	2,903.52
Dairy & Kitchen Equipment	694.19	610.77
	9,396.88	3,514.29
Sale of Traded goods		
Defence Product	331.22	2,266.16
Dairy & Kitchen Equipment	682.29	445.50
	1,013.51	2,711.67
Less:- Goods & Service Tax		
Total Sale of Products	10,410.39	6,225.96

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

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(i) Scrap Sales	155.69	139.38
(iii) Export Incentives	0.68	—
(iv) Recovery of Late Delivery Chages	76.04	—
Total - Other operating revenues	232.41	139.38

Notes on Standalone Financial Statements

NOTE NO. 23 : OTHER INCOME

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(a) Interest Income (Refer Note 23(i))	115.63	51.38
(b) Rental Income	3.06	3.66
(c) Net gain on foreign currency transactions	0.68	14.99
(d) Misc. Income	0.58	0.03
(e) Profit on sale of Asset	5.37	–
(f) Amount no longer payable written back	–	25.22
Total	125.32	95.28

Note No. 23 (i) Interest Income comprises of

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(i) Interest from Bank on:		
Fixed Deposits	111.42	51.38
(ii) Interest from othres:		
WaveOptix Defence Solution Private Limited	4.20	–
Total - Interest income	115.63	51.38

Note No. 23 (ii) Other Non- Operating Income comprises of

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(i) Rental income	3.06	3.66
Total	3.06	3.66

NOTE NO. 24 : COST OF MATERIALS CONSUMED

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
Raw Materials Consumption		
Opening Stock	186.97	84.52
Add: Purchases	5,200.85	1,906.11
	5,387.83	1,990.63
Less: Closing stock	757.01	186.97
Cost of Material consumed	4,630.82	1,803.65
Total	4,630.82	1,803.65

Notes on Standalone Financial Statements

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

(₹ in Lakh)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Raw Material		
(a) S S Sheet / Plats	4,630.82	1,803.65
Total	4,630.82	1,803.65

NOTE NO. 25 PURCHASE OF TRADED GOODS

(₹ in Lakh)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Purchase of traded goods	832.89	2,643.95
Total	832.89	2,643.95

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

(₹ in Lakh)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Inventories at the beginning of the year:		
Finished Goods	1.21	1.21
Work in Progress	2,518.52	1,389.65
Stock in Trade	49.01	18.98
Scrap	14.35	42.30
	2,583.09	1,452.14
(b) Inventories at the end of the year:		
Finished Goods	–	1.21
Work in Progress	2,287.53	2,518.52
Stock in Trade	65.42	49.01
Scrap	54.34	14.35
	2,407.29	2,583.09
Net Change in Inventories	175.80	(1,130.94)

NOTE NO. 27 : EMPLOYEE BENEFIT EXPENSES

(₹ in Lakh)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Salaries, wages, bonus etc.	1,031.56	754.77
(b) Remuneration to directors	96.35	89.87
(c) Contributions to Provident and other funds	79.18	55.91
(d) Staff welfare expenses	26.47	17.79
Total	1,233.56	918.35

NOTE NO. 28 : FINANCE COSTS

(₹ in Lakh)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(i) Interest expense		
(a) on borrowings	125.82	101.36
(ii) Other borrowing costs	0.91	8.20
(iii) Interest on statutory Dues	8.99	0.69
Total	135.71	110.26

Notes on Standalone Financial Statements

NOTE NO. 29 : OTHER EXPENSES

(₹ in Lakh)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Store & Spares Consumed	201.00	159.95
Job Work & Labour Changes	644.24	270.00
Power & Fuel Expenses	286.85	176.22
Repairs & Maintenance – Plant & Machinery	16.59	6.67
– Building	12.76	3.92
– Others	9.26	8.82
Laboratory and Testing Expenses	33.66	32.63
Travelling and Conveyance	94.90	104.56
Legal & Professional Charges	97.70	48.07
Rates & Taxes	1.03	0.94
Rent Expenses (Refer Note No. 31C)	43.30	43.68
Security Expenses	21.36	18.42
Vehicle Expenses	16.74	17.37
Insurance Expenses	9.23	7.86
CSR Expenses (Refer Note 31F)	8.60	–
Donation Expenses	–	1.75
Factory Expenses	4.09	2.72
Installation charges	25.24	11.98
Freight & Forwarding charges	73.06	38.51
Telephone & Internet Expenses	8.22	7.38
Provision for doubtful debt & other deposits	69.13	13.28
Payment to Auditors		
a. Statutory Audit	3.25	2.00
b. Tax Audit	0.85	–
c. Other certification services	2.01	1.72
Selling & Distribution Expenses		
a. Commission on sales	22.84	14.85
b. Advertisement	1.76	10.98
c. Freight and Other Expenses	223.33	83.21
d. Discount, Sales Promotion and samples	23.99	30.96
e. Late Delivery Charges	27.61	55.61
e. Tender fees	105.42	–
Bank Charges & Commission	36.13	16.35
Warranty Expenses	1.68	1.47
Miscellaneous Expenses	100.10	53.49
Total	2,225.94	1,245.36

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

30A Contingent Liabilities & Commitments

(₹ in Lakh)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt:		
(i) on account of Liquidated damages levied on the company	185.46	185.46
(ii) Disputed with Provident Fund Authorities	83.35	83.35
(iii) Labour Laws - Claims from Employees / Contractual Personnel including ex-employees	Amount not ascertainable	Amount not ascertainable
(iv) Disputed with Custom Authority	11.47	–
(b) Bank Guarantees issued by bank on behalf of Company for which company has issued counter guarantee	1,840.70	1,173.69
(c) On account of other contingent claims	4.63	4.63
	2,125.61	1,447.13
(ii) Commitments		
(a) Estimated amount of Contracts to be executed on capital account and not provided for net of capital advance	691.13	28.44

Notes on Standalone Financial Statements

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

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(a) Raw materials/ Traded Goods	346.56	360.97

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

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(a) Travelling Expenses	27.32	26.93
(b) Certification Chages	3.45	—

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

Details of consumption of Raw Material *	(₹ in Lakh)	
	As at 31 st March, 2024	Year ended March 31, 2023
(i) Imported Raw materials	71.72	14.95
	1.55%	0.83%
(ii) Indigenous Raw materials	4,559.11	1,788.70
	98.45%	99.17%

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

30E Earnings in foreign exchange

Particulars	(₹ in Lakh)	
	As at 31 st March, 2024	Year ended March 31, 2023
(a) Export of goods calculated on FOB basis	66.56	9.83

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

Particulars	(₹ in Lakh)	
	As at 31 st March, 2024	Year ended March 31, 2023
(a) Amount of dividend remitted in foreign currency	Nil	Nil

NOTE NO. 31 Disclosures under Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2021.

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

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

(a) Defined Contribution Plans:

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

Notes on Standalone Financial Statements

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

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
Contribution to Provident Fund	40.30	38.57
Contribution to ESIC	8.69	8.11

(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	7.20 % (Previous Year 7.45%)
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	(₹ in Lakh)	
	2023-24	2022-23
Present value of funded obligations	127.65	98.29
Fair value of plan assets	(102.94)	(102.00)
Net Liability (Asset)	24.71	(3.71)

Profit and loss account for the period

Particulars	(₹ in Lakh)	
	2023-24	2022-23
Current service cost	10.92	10.72
Interest on obligation	7.01	6.11
Expected return on plan assets	(7.70)	(7.21)
Net actuarial loss/(gain)	18.18	(1.71)
Total included in 'Employee Benefit Expense'	28.42	7.91

Particulars	(₹ in Lakh)	
	2023-24	2022-23
Loss/(gain) on obligation	18.07	(2.01)
Loss/(gain) on assets	0.11	0.31
Net actuarial loss/(gain)	18.18	(1.71)

Reconciliation of defined benefit obligation

Particulars	(₹ in Lakh)	
	2023-24	2022-23
Opening Defined Benefit Obligation	98.29	94.27
Transfer in/(out) obligation	—	—
Current service cost	10.92	10.72
Interest cost	7.01	6.11
Actuarial loss (gain)	18.07	(2.01)
Benefit paid from fund	(6.64)	(10.79)
Closing Defined Benefit Obligation	127.65	98.29

Notes on Standalone Financial Statements

3 IA Disclosures under Accounting Standard - 15 (Employee Benefits) (Continue..)

Reconciliation of plan assets

(₹ in Lakh)		
Particulars	2023-24	2022-23
Opening value of plan assets	102.00	104.69
Transfer in/(out) obligation	—	—
Expected return	7.70	7.21
Actuarial gain/(loss)	(0.11)	(0.31)
Contributions by employer	—	1.20
Benefits paid	(6.64)	(10.79)
Closing value of plan assets	102.94	102.00

Composition of the plan assets

(₹ in Lakh)		
Reconciliation of plan assets	2023-24	2022-23
Policy of insurance	100%	100%

Reconciliation of net defined benefit liability

(₹ in Lakh)		
Particulars	2023-24	2022-23
Net opening provision in books of accounts	(3.71)	(10.42)
Transfer in/(out) obligation	—	—
Transfer (in)/out obligation	—	—
Employee Benefit Expense	28.42	7.91
	24.71	(2.51)
Contributions to plan assets	—	(1.20)
Closing provision in books of accounts	24.71	(3.71)

Principle actuarial assumptions

Particulars	2023-24	2022-23
Discount Rate	7.20% p.a	7.45% p.a
Expected Return on Plan Assets	7.20% p.a	7.45% p.a
Salary Growth Rate	7.00% p.a	7.00% p.a
Withdrawal Rates	20.00% p.a at younger ages reducing to 1.00% p.a at older ages	20.00% p.a at younger ages reducing to 1.00% p.a at older ages

Table of experience adjustments

(₹ in Lakh)		
Particulars	2023-24	2022-23
Defined Benefit Obligation	127.65	98.29
Plan Assets	102.94	102.00
Surplus/(Deficit)	(24.71)	3.71
Experience adjustments on plan liabilities	15.63	2.31
Actuarial loss/(gain) due to change in financial assumptions	2.45	(4.33)
Actuarial loss/ (gain) due to change in demographic assumption	—	—
Experience adjustments on plan assets	0.11	0.31
Net actuarial loss/ (gain) for the year	18.18	(1.71)

(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.

Notes on Standalone Financial Statements

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

Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Associate Enterprise	(a) Waveoptix Defence Solution Private Limited
Key Management Personnel (KMP)	(a) Mr. Ankur Ashwin Shah, Managing Director
	(b) Mr.Sandeep Ramrao Kadam, Whole time Director
	(c) Mr. Suvendu Banerjee, Whole time Director (upto 27 th May 2022)
	(d) Mrs. Preyal Ankur Shah, Non-Executive Director and Chairperson (w.e.f. 11 th January, 2022)
	(e) Mr. Jaykumar Toshniwal, Independent Director
	(f) Mr. Divyakant Ramniklal Zaveri, Independent Director
Enterprise in which KMP / Relatives of KMP or Directors can exercise significant influence	(g) Ms. Charmy Shah, Company Secretary (upto 07 th March, 2024)
	(j) Mr. Piyush Harjibhai Patel, Chief Financial Officer
	(a) Krish Industries Private Limited
	(b) Krish Commodities (India) LLP (Formerly known as Krish Commodities Private Limited)
	(c) Hindustan Cables & Wires
	(d) White Gold Technologies LLP
	(e) Ankur A Shah (HUF)
	(f) Ashwin N Shah (HUF)
	(g) Shah Engineering (Proprietor Ashwin N Shah (HUF))
	(h) Shah Innovators (Proprietor Ankur A Shah (HUF))

Note: Related parties have been identified by the Management.

Details of related party transactions and balances outstanding

I. Details of related party transaction during the year:

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
Remuneration to Directors & Key Managerial Personnel		
Ankur Ashwin Shah	60.00	60.00
Sandeep Kadam	36.35	27.76
Suvendu Banerjee	–	2.11
Piyush Patel	23.40	21.45
Charmy Shah	6.91	5.77
Director Sitting fees		
Divyakant Zaveri	3.80	2.20
Preyal Shah	2.35	1.05
Jaykumar Toshniwal	3.70	2.08
Loan Taken		
Ankur Ashwin Shah	430.46	425.69
Loan Repaid		
Ankur Ashwin Shah	988.51	747.55
Krish Commodities (India) LLP (Formerly known as Krish Commodities Private Limited)	0.88	0.46
Investment in equity shares of Associate		
WaveOptix Defence Solution Private Limited	0.25	–
Purchase		
Krish Industries Pvt Ltd	192.04	233.95
White Gold Technologies LLP	314.83	2.37
WaveOptix Defence Solution Private Limited	59.59	–
Sales		
Krish Industries Pvt Ltd	0.62	4.45
White Gold Technologies LLP	3.74	12.69

Notes on Standalone Financial Statements

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

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
Rent Expenses		
Krish Industries Pvt Ltd	28.80	28.80
Rent Income		
White Gold Technologies LLP	3.06	3.66
Interest Income		
WaveOptix Defence Solution Private Limited	4.20	—
Loans Given		
WaveOptix Defence Solution Private Limited	215.60	—
Reimbursement of Electricity expenses		
Krish Industries Pvt Ltd	147.84	89.54
White Gold technologies LLP	2.13	—
Upfront premium received against Convertible Equity Warrants issued during the year		
Pallavi Ashwin Shah	—	88.20
Preyal Ankur Shah	—	35.70
Ankur Ashwin Shah	152.00	—

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

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
Remuneration Payable		
Ankur Ashwin Shah	—	2.86
Sandeep Kadam	1.27	1.42
Piyush Patel	1.93	1.30
Charmy Shah	—	0.43
Amount Payable		
Ankur Ashwin Shah	237.35	795.40
Krish Commodities Private Limited	5.51	31.39
Krish Industries Pvt Ltd	155.93	152.49
Advances given for material		
White Gold Technologies LLP	231.36	14.87
WaveOptix Defence Solution Private Limited	111.55	—
Amount Receivable - Loans		
WaveOptix Defence Solution Private Limited	215.60	—
Upfront premium received against Convertible Equity Warrants issued during the year		
Pallavi Ashwin Shah	88.20	88.20
Preyal Ankur Shah	35.70	35.70
Ankur Ashwin Shah	152.00	—
Security Deposits		
Krish Industries Pvt Ltd - Rent Deposit Given	10.00	10.00
Krish Commodities Private Limited- Rent Deposits Taken	25.00	—

Notes on Standalone Financial Statements

31C 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	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(a) The annual lease rent paid during the year	43.30	43.68
(b) The annual lease rent paid		
Not later than one year	28.80	28.80
Later than one year and not later than five year	43.20	72.00
Beyond five year	—	—

Company as a Lessor

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

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(a) The annual lease rent received during the year	3.06	3.66
(b) The annual lease rent receivable		
Not later than one year	3.22	3.06
Later than one year and not later than five year	2.25	5.47
Beyond five year	—	—

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

Computation of Earnings per share:

Particulars	(₹ in Lakh)	
	2023-24	2022-23
Profit available to Equity Share holders	978.96	529.59
Weighted average number of shares -		
shares Outstanding during the year before bonus issue(Nos.):	11,448,000	8,400,000
Add : Bonus Issue made (Nos.)	—	—
Add : Share issued during the year	2,257,026	3,048,000
	13,705,026	11,448,000
Weighted average number of shares for Basic EPS	12,162,414	11,448,000
Effect of potential conversion of equity share warrants outstanding	302,618	—
Weighted average number of shares for Diluted EPS	12,465,032	11,448,000
Face Value per share	10.00	10.00
Basic Earnings per share	8.05	4.63
Diluted Earnings per share	7.85	4.63

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

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of Property, plant and equipment	36.51	37.21
Tax effect of items constituting deferred tax liability	36.51	37.21
Tax effect of items constituting deferred tax assets		
Provision for doubtful debts and other deposits	20.02	3.34
On items disallowed u/s 43B of Income Tax Act, 1961	17.62	10.75
Tax effect of items constituting deferred tax assets	37.63	14.09
Net deferred tax (liability) / asset	1.13	(23.11)

Notes on Standalone Financial Statements

3IF Disclosures related to 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

(₹ in Lakh)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Gross amount required to be spent by the company during the year	8.60	—
(b) Amount spent during the year on		
1. Construction / Acquisition of Assets		
— In cash	—	—
— Yet to be paid in cash	—	—
2. On purpose other than (i) above		
— In cash	8.60	—
— Yet to be paid in cash	—	—
(c) Shortfall at the end of the year	—	—
(d) Total of previous years shortfall	—	—
(e) Reason for shortfall	—	—
(f) Nature of CSR activities	promoting education	NA
(g) Details of related party transactions	—	—
(h) Movements in the provision of CSR during the year		
Balance at the beginning of the year	—	—
Provision made during the year	—	—
Provision utilised during the year	—	—
Balance at the end of the year	—	—

3IG Disclosure as per section 186(4) of the Companies Act, 2013

(i) The company has given advances & loan to following parties and the outstanding balances are as under:

(₹ in Lakh)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Advances and Loan given to Associates for its principal business activity		
Waveoptix Defence Solution Private Limited	215.60	—

3IH 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

(₹ in Lakh)						
Particulars	As at March 31, 2024			As at March 31, 2023		
	Dairy & Kitchen equipment's segment	Defence Products	Total	Dairy & Kitchen equipment's segment	Defence Products	Total
Revenue						
External	1,461.93	9,180.87	10,642.80	1,146.10	5,219.23	6,365.33
Inter Segment	—	—	—	—	—	—
Total Sales & Operating Income	1,461.93	9,180.87	10,642.80	1,146.10	5,219.23	6,365.33
Other Income	11.52	16.65	28.17	6.46	15.27	21.73
Total Income	1,473.45	9,197.52	10,670.97	1,152.56	5,234.50	6,387.06
Segment Results	92.10	1,951.13	2,043.23	91.86	1,139.04	1,230.90
Add: Interest and Other Income			97.15			73.55
Less: other unallocable expenses			822.68			631.25
Profit Before Tax			1,317.70			673.17
Less: Taxes			338.74			143.59
Profit After Tax			978.96			529.59

Notes on Standalone Financial Statements

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

(₹ in Lakh)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Dairy & Kitchen equipment's segment	Defence Products	Total	Dairy & Kitchen equipment's segment	Defence Products	Total
Segment Asset	829.07	7,585.46	8,414.53	1,127.57	6,107.03	7,234.60
Unallocated Corporate Assets			4,933.38			1,233.57
Total Assets			13,347.91			8,468.17
Segment Liability	138.87	1,449.95	1,588.82	365.86	2,104.21	2,470.07
Unallocated Corporate Liabilities			1,116.63			1,911.42
Total Liabilities			2,705.45			4,381.49
Capital Expenditure	3.65	242.89	246.55	79.78	192.12	271.91
Unallocated Capital Expenditure			0.88			4.54
Total Capital Expenditure			247.43			276.45
Segment Depreciation	6.46	200.37	206.83	16.70	169.92	186.62
Unallocated Segment Depreciation			8.86			10.18
Total Segment Depreciation			215.69			196.81

NOTE NO. 32: Other Disclosures

32A 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 :

(₹ in Lakh)

SN	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
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	105.92	219.74
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;	—	—
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	—	—
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.	—	—

Notes on Standalone Financial Statements

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

(₹ in Lakh)

SN	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(a)	Amount Receivable	–	9.83
		\$0.00	\$0.12
(b)	Amount Payable	0.03	346.02
		\$0.00	\$4.14
(c)	Advance received for supply of goods	–	7.13
		\$0.00	\$0.09
(d)	Advance paid for supply of goods	15.43	2.68
		\$0.18	\$0.03
		€ 0.01	

32C Trade Payable Ageing summary

(₹ in Lakh)

SN	Particulars	Less than 1 year	1-2 years	2-3 Years	More than 3 Years	Total
	As at 31st March, 2024					
(i)	MSME	105.92	–	–	–	105.92
(ii)	Others	1,128.37	84.32	5.49	–	1,218.18
(iii)	Disputed Dues - MSME	–	–	–	–	–
(iv)	Disputed Dues - Others	–	–	–	–	–
	Total	1,234.29	84.32	5.49	–	1,324.11
	As at 31st March, 2023					
(i)	MSME	219.74	–	–	–	219.74
(ii)	Others	2,037.83	0.15	–	–	2,037.98
(iii)	Disputed Dues - MSME	–	–	–	–	–
(iv)	Disputed Dues - Others	–	–	–	–	–
	Total	2,257.57	0.15	–	–	2,257.72

32D Trade Receivable Ageing summary

(₹ in Lakh)

SN	Particulars	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 Years	More than 3 Years	Total
(i)	Undisputed Trade Receivable - Considered Good	2,237.56	62.48	127.12	111.24	143.24	2,681.65
(ii)	Undisputed Trade Receivable - Considered doubtful	–	–	–	–	–	–
(iii)	Disputed Trade Receivable - Considered Good	–	–	–	–	4.63	4.63
(iv)	Disputed Trade Receivable - Considered doubtful	–	–	–	–	–	–
	Total	2,237.56	62.48	127.12	111.24	147.87	2,686.28
	Less: Provision for Doubtful Debt	–	–	–	–	–	79.53
	Total	2,237.56	62.48	127.12	111.24	147.87	2,606.75
	As at 31st March, 2023						
(i)	Undisputed Trade Receivable - Considered Good	2,348.23	79.94	117.80	95.49	52.54	2,694.00
(ii)	Undisputed Trade Receivable - Considered doubtful	–	–	–	–	–	–
(iii)	Disputed Trade Receivable - Considered Good	–	–	–	–	4.63	4.63
(iv)	Disputed Trade Receivable - Considered doubtful	–	–	–	–	–	–
	Total	2,348.23	79.94	117.80	95.49	57.17	2,698.63
	Less: Provision for Doubtful Debt	–	–	–	–	–	10.19
	Total	2,348.23	79.94	117.80	95.49	57.17	2,688.44

Notes on Standalone Financial Statements

32E Accounting Ratios

(₹ in Lakh)

SN	Particulars	Numerator	Denominator	2023-24	2022-23	Variance (%)	Reason
1	Current Ratio (in times)	Current Assets	Current Liabilities	4.32	1.79	142.08%	Due to funds received from preferential issue of shares temporary parked in the short-term fixed deposit
2	Debt-Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.10	0.51	-81.07%	Due to Repayment of Long term debt
3	Debt Service Coverage Ratio (in times)	Earnings available for debt service	Debt Service	2.68	6.95	-61.45%	Due to Repayment of Long term debt
4	Return on Equity Ratio (in %)	Net Profits after taxes	Average Shareholder's Equity	14.47%	18.45%	-21.56%	NA
5	Inventory Turnover Ratio (in times)	Revenue from operations	Average Inventory	3.49	2.88	21.18%	NA
6	Trade Receivables turnover ratio (in times)	Revenue from operations	Average Accounts Receivable	4.02	2.61	53.94%	Due to Increase in sales
7	Trade Payable turnover ratio (in times)	Cost of sales + Other Expenses	Average Trade Payables	4.39	2.49	76.05%	Due to Increase in purchase in line of increase in sales
8	Net capital turnover ratio (in times)	Revenue from operations	Average Working Capital	1.88	2.94	-36.12%	Due to Increase in sales & increase in short term Fixed deposit
9	Net profit ratio (in %)	Net Profit after tax	Revenue from operations	9.20%	8.32%	10.56%	–
10	Return on Capital employed (in %)	Earning before interest and taxes	Capital Employed	13.45%	14.14%	9.78%	–
11	Return on investment (in %)	Income from Investment	Average Investment	0.00%	NA	NA	NA

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

(₹ in Lakh)

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-23	Axis Bank/Standard	Inventory	2,431.35	2,431.35	–	–
Jun-23	Chartered Bank	Book Debts	1,384.90	1,405.57	20.68	Not material difference
Jun-23		Trade Payable	1,004.81	561.50	(443.31)	See Note 1 below
Sep-23	Axis Bank/Punjab	Inventory	3,049.81	3,020.90	(28.91)	See Note 2 below
Sep-23	National Bank	Book Debts	1,297.72	1,297.72	–	–
Sep-23		Trade Payable	552.79	562.73	9.93	See Note 1 below
Dec-23	Axis Bank/Punjab	Inventory	3,647.09	3,647.09	–	–
Dec-23	National Bank	Book Debts	1,847.27	1,921.46	74.19	Not material difference
Dec-23		Trade Payable	1,560.50	699.71	(860.78)	See Note 1 below
Mar-24	Axis Bank/Punjab	Inventory	3,248.24	2,918.76	329.48	See Note 2 below
Mar-24	National Bank	Book Debts	2,686.28	2,686.28	(0.00)	–
Mar-24		Trade Payable	1,324.11	888.18	435.93	See Note 1 below

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

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

Notes on Standalone Financial Statements

32H 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	–	No
Cas Weighing India Pvt Ltd	Purchase of Goods	–	No
S V Electronics Limited	Purchase of Office Equipment	0.02	No
National Small Industries Corporation Ltd	Availment of service	–	No

- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that The Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.”
- vii) The Company do not have any such transaction which is not recorded in the books of accounts and that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- viii) The company holds all the title deeds of immovable property in its name.
- ix) The company is not declared as wilful defaulter by any bank or financial Institution or other lender.

NOTE NO. 33: 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:

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Opening Balance	7.92	14.80
Add: Provision created during the year	1.13	7.53
Less: Provision reversed during the year	1.90	14.41
Total	7.15	7.92

NOTE NO. 34:

The financial statements have not been signed by the Company secretary as Ms. Charmy Shah, erstwhile Company Secretary and Compliance Officer had tendered her resignation, with effect from the closure of the business hours of 07th March, 2024. Further, The company has appointed Ms. Gunjan Bhagtani as new Company Secretary and Compliance Officer with effect from 01st June, 2024

Notes on Standalone Financial Statements

NOTE NO. 35:

The financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 25th May, 2024. 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 year.

As per our report of even date

For CNK & Associates LLP
Chartered Accountants
FRNo. : 101961W/W-100036

Pareen Shah
Partner
Mem no. 125011

Place: Vadodara
Date: 25th May, 2024

For and on behalf of the Board of Directors

Ankur Ashwin Shah
Managing Director
DIN : 01166537

Sandeep Ramrao Kadam
Whole Time Director
DIN : 06841164

Piyush Harjibhai Patel
Chief Financial Officer

Place: Vadodara
Date: 25th May, 2024

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 Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Krishna Defence and Allied Industries Limited** ("the Company") which comprise the Consolidated Balance Sheet as at 31st March, 2024, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

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, 2024, its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

The Company's Management and Board of Directors is responsible preparation the other information. The other information comprises the information included in the Management discussion and analysis, board's report including Annexure to Board's Report, Shareholder's information, but does not include the financial statements and our

auditor's report thereon. The Board's Report including Annexure to Board's Report, and Shareholder's Information are expected to be made available to us after the date of this auditor's report. Any Material misstatement thereon pertaining to it, will be reported thereon.

Our opinion on the Consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 Consolidated Financial Statements

The Company's Management and 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 consolidated 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 Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management and Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so;

The respective Management and Board of Directors of the companies included in the Company are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such 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 and Board of director'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 ability of the Company 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 Consolidated 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 Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditor. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for

the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion;

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated Financial Statements;

We communicate with those charged with governance of the company 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;

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- I. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid Consolidated Financial Statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;(Also refer note 2(h)(vi))
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
 - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with of the Companies (Accounts) Rules, 2021;
 - (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2024 taken on record by the Management and Board of Directors of the company and its associate company, none of the

directors of the Company companies incorporated in India is disqualified as on 31st March, 2024 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 A";
- (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 Consolidated Financial Statements disclosed the impact of pending litigations on its financial position of the Company – Refer Note 30.A to the Consolidated 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 transfer any amount to the Investor Education and Protection Fund by the Company;
- iv. i. The Management has represented that, to the best of its knowledge and belief that 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 its knowledge and belief 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 dividend declared or paid during the year by the Company is in compliance with Section 123 of the Companies Act, 2013. During the year, no dividend is declared by associate of the Company.

- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except in respect of maintenance of Inventory records wherein the software did not have the audit trail feature enabled throughout the year. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. With respect to comment on above for the associate of the Company the audit report issued dated 24th May, 2024 stated as under:

"Based on our examination, which includes test checks, the company has used accounting software for maintaining its books of accounts for the financial year ended 31st March, 2024 which has a feature of recording audit trails (edit log) facility and the same has been operated throughout the year for all the relevant transactions recorded in the software except in respect of maintenance of Inventory records. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with."

- 2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order" / "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, CARO 2020 is not applicable to its associate company and therefore we are unable to comment on the same.

For, **C N K & Associates LLP**
Chartered accountants
FRN: 101961W/W-100036

Date: 25th May, 2024
Place: Vadodara
UDIN

Pareen Shah
Partner
Mem. No. 125011

Annexure “A” 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”) and in respect of its Associate wherein such audit of internal financial controls over financial reporting was carried out by us and have been appropriately dealt with by us in making this report as on 31st March, 2024 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Management and Board of Directors of the Company and its associate company, which are companies incorporated in India are 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, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its associate company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Control and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports

referred to in the Other Matters paragraph below, 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, its associate 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, 2024, based on the internal control over financial reporting criteria established by the respective companies 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

Date: 25th May, 2024

Place: Vadodara

UDIN

Pareen Shah

Partner

Mem. No. 125011

Consolidated Balance Sheet

as at March 31, 2024

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	1,370.50	1,144.80
(b) Reserves and surplus	4	8,496.13	2,521.88
(c) Money received against Share Warrants	5	777.50	420.00
		10,644.14	4,086.68
2 Non-current liabilities			
(a) Long-term borrowings	6	116.48	637.60
(b) Deferred tax liabilities (Net)	31E	–	23.11
(c) Long-term provisions	7	29.33	15.85
(d) Other Non-current liabilities	8	25.00	–
		170.81	676.56
3 Current liabilities			
(a) Short-term borrowings	9	826.50	1,214.37
(b) Trade payables	10		
(A) Total outstanding dues of Micro and small enterprises		105.92	219.74
(B) Total outstanding dues of creditors other than micro and small enterprises		1,218.18	2,037.98
(c) Other current liabilities	11	226.11	188.76
(d) Short-term provisions	12	157.93	44.09
		2,534.64	3,704.94
TOTAL		13,349.59	8,468.17
II. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets	13		
(i) Property, Plant and Equipment		1,462.38	1,233.90
(ii) Capital work in progress		3.22	206.05
(b) Non-current investments	14	2.70	1.00
(c) Long-term loans and advances	15	259.05	35.67
(d) Deferred tax Assets (Net)	31E	1.13	–
(e) Other non-current assets	16	663.51	375.07
		2,391.99	1,851.69
2 Current assets			
(a) Inventories	17	3,248.24	2,844.74
(b) Trade receivables	18	2,606.75	2,688.44
(c) Cash and Bank Balance	19	4,415.94	790.75
(d) Short Term loans and advances	20	95.33	226.28
(e) Other current assets	21	591.35	66.28
		10,957.60	6,616.49
TOTAL		13,349.59	8,468.17

As per our report of even date

For CNK & Associates LLP

Chartered Accountants

FRNo. : 101961W/W-100036

Pareen Shah

Partner

Mem no. 125011

Place: Vadodara

Date: 25th May, 2024

For and on behalf of the Board of Directors

Ankur Ashwin Shah

Managing Director

DIN : 01166537

Piyush Harjibhai Patel

Chief Financial Officer

Place: Vadodara

Date: 25th May, 2024

Sandeep Ramrao Kadam

Whole Time Director

DIN : 06841164

Consolidated Statement of Profit and Loss for the year ended March 31, 2024

(₹ in Lakh)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
I. Revenue from operations	22	10,642.80	6,365.33
II. Other income	23	125.32	95.28
III. Total Income		10,768.12	6,460.61
IV. Expenses:			
Cost of materials consumed	24	4,630.82	1,803.65
Purchases of Stock-in-Trade	25	832.89	2,643.95
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	26	175.80	(1,130.94)
Employee benefit expenses	27	1,233.56	918.35
Finance costs	28	135.71	110.26
Depreciation and amortization expenses	13	215.69	196.81
Other expenses	29	2,225.94	1,245.36
Total expenses		9,450.42	5,787.44
V Profit before tax		1,317.70	673.17
VI Tax expense:			
Current tax		362.30	145.11
Tax of earlier years (Net)		0.68	5.42
Deferred tax Liability/(Asset)		(24.24)	(6.95)
VII Profit for the year (V-VI)		978.96	529.59
VIII Share of Associate's Profit/(loss)		1.68	-
IX Profit After Tax and Share of Associate's profit/(Loss) (VII+VIII)		980.63	529.59
X Earnings per equity share:			
Basic	31(D)	8.06	4.63
Diluted		7.87	4.63

As per our report of even date

For CNK & Associates LLP

Chartered Accountants

FRNo. : 101961W/W-100036

Pareen Shah

Partner

Mem no. 125011

Place: Vadodara

Date: 25th May, 2024

For and on behalf of the Board of Directors

Ankur Ashwin Shah

Managing Director

DIN : 01166537

Sandeep Ramrao Kadam

Whole Time Director

DIN : 06841164

Piyush Harjibhai Patel

Chief Financial Officer

Place: Vadodara

Date: 25th May, 2024

Consolidated Cash Flow Statement for the year ended 31st March, 2024

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024		For the year ended 31 st March, 2023	
A\CASH FLOW FROM OPERATING ACTIVITIES				
\Profit before exceptional items, prior period items and tax:		1,317.70		673.17
\Adjustments for :				
\Depreciation / amortization	215.69		196.81	
\Profit/Loss on sale of Property, Plant & equipments	(5.37)			
\Amount no longer payable written back	—		(25.22)	
\Rent Income	(3.06)		(3.66)	
\Unrealised foreign exchange gain loss	0.15		(5.74)	
\Provision for doubtful debts and other deposits	69.13		13.28	
\Interest received	(115.63)		(51.38)	
\Investment written off	0.23		—	
\Interest on Income Tax	8.45			
\Interest Expense	125.82		101.36	
		295.41		225.45
\Operating Profit before working capital changes		1,613.11		898.62
\Adjustments for:				
\(Increase)/Decrease in Trade receivables	12.57		(515.05)	
\(Increase)/Decrease in Inventories	(403.50)		(1,273.50)	
\(Increase)/Decrease in Loans and Advances	118.97		(185.44)	
\(Increase)/Decrease in Other Non Current Assets	(23.13)		6.52	
\(Increase)/Decrease in Other Current Assets	(525.07)		(16.85)	
\Increase/(Decrease) in Trade Payable	(933.98)		889.05	
\Increase/(Decrease) in Liabilities and Provisions	88.87		(391.91)	
		(1,665.27)		(1,487.19)
\Cash generated from Operations		(52.17)		(588.57)
\Less : Direct taxes paid (Net of refund, if any)		(270.63)		(141.23)
\Cash flow before extraordinary items		(322.80)		(729.80)
\Net cash from Operating Activities (A)		(322.80)		(729.80)
B\CASH FLOW FROM INVESTING ACTIVITIES				
\Purchase of Property plant & Equipment's		(243.22)		(276.45)
\Proceeds from Sale of Property plant & Equipment's		11.47		—
\Investment in Associate		(0.25)		—
\Loan to Associate		(215.60)		
\(Increase)/Decrease in Other bank balances		(3,389.88)		364.59
\Rent Received		3.06		3.66
\Interest received		115.63		51.38
\Net Cash used in Investing Activities (B)		(3,718.80)		143.18

Consolidated Cash Flow Statement for the year ended 31st March, 2024

(₹ in Lakh)

Particulars	For the year ended 31 st March, 2024		For the year ended 31 st March, 2023	
C\ CASH FLOW FROM FINANCIAL ACTIVITIES				
\ Proceeds from Issue of Share capital		4,923.22		725.16
\ Proceed from issue of Share Warrants		653.60		420.00
\ Repayment of Long Term Borrowings		(589.34)		(106.40)
\ Increase/(Decrease) in Short term Borrowings		(319.66)		(350.10)
\ Interest paid		(125.82)		(101.36)
\ Net cash used Financing Activities (C)		4,542.01		587.30
\ Net increase in cash and cash equivalents (A+B+C)		500.42		0.68
\ Cash and cash equivalents at the beginning of the year		9.26		8.58
\ Cash and cash equivalents at the end of the year		509.68		9.26
\ Components of Cash & Cash Equivalents				
\ Cash on hand		1.87		1.37
\ Balance with schedule banks				
\ In Current Account		6.78		7.89
\ Fixed deposit with the original maturity with less than 3 Months		501.03		—
\ Cash and Cash Equivalents		509.68		9.26

Note:-

I Figures in the brackets represents cash outflow.

As per our report of even date

For CNK & Associates LLP

Chartered Accountants

FRNo. : 101961W/W-100036

Pareen Shah

Partner

Mem no. 125011

Place: Vadodara

Date: 25th May, 2024

For and on behalf of the Board of Directors

Ankur Ashwin Shah

Managing Director

DIN : 01166537

Sandeep Ramrao Kadam

Whole Time Director

DIN : 06841164

Piyush Harjibhai Patel

Chief Financial Officer

Place: Vadodara

Date: 25th May, 2024

Notes on Consolidated 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 listed on the SME platform of National Stock Exchange i.e. NSE Emerge.

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

2. Statement on Significant Accounting Policies

a) Basis of Preparation

Basis of accounting and preparation of financial statements:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as

prescribed under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Accounting Standard) Rules, 2021, the provisions of the Act (to the extent notified). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

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

b) Principles of consolidation:

The consolidated statements consist of the company and its Associate – Waveoptix Defence Solutions Private Limited

c) Other significant accounting policies and explanatory notes:

The significant accounting policies of the company and its subsidiary are similar. Refer Note No. 2 of Standalone Financial Statements

Notes on Consolidated Financial Statements

NOTE No. 3 :SHARE CAPITAL

(i) Details of share capital

Particulars	As at March 31, 2024		As at 31 st March, 2023	
	Number of Shares	₹	Number of Shares	₹
Authorized				
Equity Shares of ₹ 10/- each with voting rights	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Issued				
Equity Shares of ₹ 10/- each with voting rights	1,37,05,026	1,370.50	1,14,48,000	1,144.80
Subscribed & Paid up				
Equity Shares of ₹ 10/- each with voting rights	1,37,05,026	1,370.50	1,14,48,000	1,144.80
Total	1,37,05,026	1,370.50	1,14,48,000	1,144.80

(ii) Reconciliation of the Number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2024		As at 31 st March, 2023	
	Number of Shares	₹	Number of Shares	₹
Opening Balance	1,14,48,000	1,144.80	84,00,000	840.00
Add: Bonus share issued during the year	—	—	—	—
Add: Fresh Issue of equity shares	22,57,026	225.70	30,48,000	304.80
Closing Balance	1,37,05,026	1,370.50	1,14,48,000	1,144.80

(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.

(iv) Shares allotted as fully paid-up :

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

(v) Details of shares held by promoters

Promotors name	Number of shares held	As at 31 st March, 2024		As at 31 st March, 2023	
		% holding in that class of shares	% of Change during the period	% holding in that class of shares	% of Change during the period
Ankur Shah	52,53,890	38.34%	-7.56%	45.89%	-16.65%

(vi) Details of shares held by each shareholder holding more than 5 % shares :

Classes of Shares/Name of Shareholder	As at 31 st March, 2024		As at 31 st March, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares with voting rights				
Ankur Shah	52,53,890	38.34%	52,53,890	45.89%
Krish Commodities (India) LLP (Formerly known as Krish Commodities Private Limited	5,88,000	4.29%	5,88,000	5.14%
Krish Industries Private Limited	8,40,000	6.13%	8,40,000	7.34%
Pallavi Shah	16,33,710	11.92%	16,33,710	14.27%

Notes on Consolidated Financial Statements

NOTE NO. 4 : RESERVES AND SURPLUS

(₹ in Lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
(a) Security Premium Account		
Opening Balance	757.32	–
Add: Received on issue of Equity shares during the year	5,248.22	883.92
Less : Utilised for meeting share issue expenses ((Refer below Note No (i))	254.60	126.60
Closing Balance	5,750.94	757.32
(b) Surplus		
Opening balance	1,764.55	1,234.97
Add : Surplus in statement of Profit and Loss	980.63	529.59
Closing Balance	2,745.19	1,764.55
Total (a)+(b)	8,496.13	2,521.88

- (i) (a) Pursuant to Section 52 of the Companies Act , 2013 , Securities Premium account has been utilized against share issue expenses related to Issue management fees, professional fee and other expenses incurred amounting to ₹ 254.60 lakhs related to the preferential issue of equity shares during the year.
- (b) Pursuant to Section 52 of the Companies Act , 2013 , Securities Premium account has been utilized against share issue expenses related to Issue management fees, brokerage fees ,professional fee and other expenses incurred amounting to ₹ 126.59 lakhs related to the public issue of shares of the company and listing of the Equity Shares of the company on NSE Emerge Exchange during the Previous year

NOTE NO. 5 : MONEY RECEIVED AGAINST SHARE WARRANT

(₹ in Lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
Money received against share warrant (Refer below note)	777.50	420.00
Total	777.50	420.00

Note:

Reconciliation of Number of Warrants outstanding at the end of the year

(Numbers)		
Particulars	As at March 31, 2024	As at March 31, 2023
Opening number of Convertible Equity warrants (Exercise Price ₹ 140/-)	12,00,000	–
No of Convertible Equity warrants issued during the year (Exercise Price CY ₹ 304/- (PY ₹ 140/-))	22,71,026	12,00,000
No of Convertible Equity warrants converted in to equity shares during the year	22,57,026	–
Closing Number of Convertible Equity warrants	12,14,000	12,00,000
No of Convertible Equity warrants outstanding		
Out of the Opening	3,54,000	–
Out of the Convertible Equity warrants issued during the year	8,60,000	–

Reconciliation of Amount received towards Warrants

(₹ in Lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
Opening Value of Money Received Against Share Warrant	420.00	–
Money Received Against Share Warrant during the year	653.60	420.00
Money Received Against Share Warrant utilised for issue of share	296.10	–
Closing value of Money Received Against Share Warrant	777.50	420.00

During the year , the company has issued and allotted on preferential basis, 8,60,000 No. of share warrants at price of ₹ 304/- each, convertible into or exchange for, one fully paid-up equity shares of the company having face value of ₹ 10/- at a premium of ₹ 294/- against every warrant held, in one or more tranches within a maximum period of 18 months from the date of allotment of warrants. Further, the company has received upfront premium of 25% of the warrant issue price i.e. ₹ 653.60 lakhs.

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

Notes on Consolidated Financial Statements

NOTE NO. 6 : LONG TERM BORROWINGS

(₹ in Lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
(a) Term Loans (Refer note 6(i))		
- Secured		
(i) From Banks	–	155.82
Total	–	155.82
Less: Current Maturities of long - term debts	–	68.22
	–	87.60
(b) Loans from directors (unsecured) (Refer note 6(ii))	116.48	550.00
Total	116.48	637.60

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

(₹ in Lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
(i) Axis Bank - ECLGS Term loan - 2	–	69.33
(The above loans are secured by way of first charge on entire present and future movable fixed asset of the company. The above facilities are also secured by way of charge on entire present and future current asset of the company. The above facilities are further secured by way of equitable mortgage on shed no. 121/8, 121/9, 121/20 to 22 and Shed no. 121/23 & 121/24 situated at Kalol, equitable mortgage on property situated at Flat no. B-302, Shivam Residency Tower, Opp. Urmi School, B/h Gangotri Party Plot, Samasavli Road, Vadodara - 390 002 which is owned by the director and lien on fixed deposits of ₹ 462.00 lakhs. The facility is further secured by way of personal guarantee of the Managing Director. Interest rate is 8.90% linked to repo rate (i.e. 5.90%+3%).		
TL -1 Loan principal amount is repayable in 60 Equal Monthly Instalment of ₹ 3.00 Lakhs after the end of moratorium period of 6 months).		
TL-2 Loan principal amount is repayable in 36 Equal Monthly Instalment of ₹ 4.33 Lakhs after the end of moratorium period of 12 months)		
(ii) Punjab National Bank - office Loan	–	86.49
(Loan is secured by of mortgage of office owned by company situated at Unit No. 344, 3 rd Floor, A to Z industrial Estate, Ganpatrao kadam Marg, Near Peninsula Corporate Park, Lower Parel (West), Mumbai-400013 and is collaterally secured by way of paripassu charge on immovable properties mortgaged with Axis Bank Limited, Fixed deposit of ₹ 113.50 Lakhs and personal guarantee of managing director . Interest rate is 6.95% i.e. Repo rate 4% +2.95. Loan principal amount is repayable in 74 Equal Monthly Instalment of ₹ 1.35 Lakhs.		
Total	–	155.82

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

(₹ in Lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
Non - Interest bearing loan	116.48	550.00
	116.48	550.00

NOTE NO. 7 : LONG TERM PROVISIONS

(₹ in Lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
(a) Provision for employee benefits		
(i) Provision for Compensated absences	17.73	15.85
(ii) Provision for Gratuity [Refer Note No- 31 (A)]	11.60	–
Total	29.33	15.85

Notes on Consolidated Financial Statements

NOTE NO. 8 OTHER NON-CURRENT LIABILITY

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Security Deposits	25.00	—
Total	25.00	—

NOTE NO. 9 SHORT TERM BORROWINGS

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
(a) Current Maturities of long-term debt: (Refer below note i & ii)	—	68.22
(b) Loans repayable on demand		
— Secured		
(i) From Banks (refer below note (iii))	807.63	900.75
(c) Loans from directors (unsecured) (refer below note (iv))	18.86	245.40
Total	826.50	1,214.37

Note:

- (i) For details of security, Interest rate and repayment terms refer Note No.6 (i)
- (ii) **Current Maturities of long-term debt**

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Secured - Term Loan		
— From Axis Bank ECLGS Term loan - 2	—	52.00
— From Punjab National Bank	—	16.22
	—	68.22

- (iii) **Loan repayable on demand**

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Cash Credit		
— From Axis Bank	422.63	625.17
— From Punjab National Bank	385.00	275.59
	807.63	900.76

Axis Bank: The above facility is secured by way of hypothecation charge on entire present and future current asset of the company and by way of first charge on the entire movable fixed assets 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 ₹ 513.00 Lakhs. The facility is further secured by way of lien on LIC policy in name of Mr. Ankur Shah having surrender value of ₹ 62.00 Lakhs. The facility is further secured by way of personal guarantee of the Managing director. Interest rate is 9.40% i.e. Repo + 2.90%

Punjab National Bank: The above facility is primarily secured by way of paripassu hypothecation charge on entire stock and book debts of the company and is collaterally secured by way of paripassu charge on immovable properties mortgaged with Axis Bank Limited. Further, the loan is collaterally secured by way of exclusive charge on office owned by the company situated at Unit No. 344, 3rd Floor, A to Z industrial Estate, Ganpatrao kadam Marg, Near Peninsula Corporate Park, Lower Parel (West), Mumbai-400013, Fixed deposit of ₹ 123.45 Lakhs and personal guarantee of managing director. Interest rate is 9.75% i.e. Repo rate 6.50% + Mark up 2.50% + BSP 0.25%+Spread 0.50%

Notes on Consolidated Financial Statements

NOTE NO. 9 SHORT TERM BORROWINGS (Continue..)

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

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Interest bearing loan (Interest paid at 9%)	—	—
Non - Interest bearing loan	18.81	245.40
	18.81	245.40

NOTE NO. 10 TRADE PAYABLES

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
(i) Trade payables [Refer note no. 32(A) & 32(C)]		
– Total outstanding dues of Micro and small enterprises	105.92	219.74
– Total outstanding dues of Trade payables other than Micro and small enterprises	1,218.18	2,037.98
Total	1,324.11	2,257.72

NOTE NO 11 : OTHER CURRENT LIABILITIES

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Other payables		
(i) Salary & Wages Payable	64.99	55.47
(ii) Statutory dues payable	14.08	10.17
(iii) Tax Deducted at Source payable	12.68	12.06
(iv) Advances From Customers	121.34	93.83
(v) Security Deposits from dealers	0.25	0.25
(vi) Other Payables	12.77	16.98
Total	226.11	188.76

NOTE NO. 12 : SHORT TERM PROVISIONS

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
(a) Provision for employee benefits		
(ii) Provision for Gratuity [Refer Note No- 31 (A)]	13.11	—
(ii) Provision for Bonus	27.56	26.86
(b) Provisions- Others		
(i) Provision for Warranties[Refer Note No- 33]	7.15	7.92
(ii) Provision for Income tax (Net of Taxes paid in advance)	110.11	9.31
Total	157.93	44.09

Notes on Consolidated Financial Statements

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

(₹ in Lakh)

Fixed Assets	Gross Block			Balance as at 31 March 2024	Accumulated Depreciation			Net Block		
	Balance as at 1 April 2023	Additions	Disposals/transfers		Balance as at 1 April 2023	Depreciation / amortization expense for the year	Eliminated on disposal of assets	Balance as at 31 March 2024	Balance as at 31 March 2024	Balance as at 31 March 2023
(i) Tangible Assets (Owned)										
(a) Land										
Freehold	153.94	–	–	153.94	–	–	–	–	153.94	153.94
(b) Buildings										
– Factory Building	362.40	55.22	–	417.62	221.89	17.85	–	239.74	177.88	140.51
– Office Premises	230.54	–	–	230.54	48.52	8.86	–	57.39	173.16	182.02
(c) Plant and Equipment	1,513.99	337.15	–	1,851.14	799.31	169.05	–	968.36	882.78	714.69
(d) Furniture and Fixtures	89.20	4.61	8.90	84.90	64.80	6.06	4.84	66.02	18.88	24.40
(e) Motor Vehicles	52.18	46.92	32.28	66.82	47.26	5.91	30.25	22.91	43.91	4.93
(f) Laboratory Equipment's	0.90	–	–	0.90	0.90	–	–	0.90	–	–
(g) Office equipment's	48.00	3.23	–	51.23	39.43	4.50	–	43.92	7.31	8.58
(h) Computer Equipment's	35.16	3.14	–	38.30	30.33	3.45	–	33.78	4.52	4.84
Total	2,486.32	450.26	41.18	2,895.41	1,252.42	215.69	35.09	1,433.02	1,462.38	1,233.90
Previous Year	2,415.93	70.40	–	2,486.32	1,055.61	196.81	–	1,252.42	1,233.90	1,360.31
(ii) Capital Work in Process										
(a) Capital Work in Progress	206.05	3.22	206.05	3.22	–	–	–	–	3.22	206.05
Total	206.05	3.22	206.05	3.22	–	–	–	–	3.22	206.05
Previous Year	–	206.05	–	206.05	–	–	–	–	206.05	–

Capital Work in Process

(₹ in Lakh)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Year	
As at 31 March 2024					
Projects in progress	3.22	–	–	–	3.22

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

(₹ in Lakh)

Fixed Assets	Gross Block			Balance as at 31 March 2023	Accumulated Depreciation			Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
	Balance as at 1 April 2022	Additions	Disposals/transfers		Balance as at 1 April 2022	Depreciation / amortization expense for the year	Eliminated on disposal of assets			
(i) Tangible Assets (Owned)										
(a) Land										
Freehold	153.94	–	–	153.94	–	–	–	–	153.94	153.94
(b) Buildings										
– Factory Building	362.40	–	–	362.40	204.77	17.12	–	221.89	140.51	157.63
– Office Premises	230.54	–	–	230.54	39.20	9.32	–	48.52	182.02	191.34
(c) Plant and Equipment	1,453.51	60.49	–	1,513.99	646.99	152.31	–	799.31	714.69	806.51
(d) Furniture and Fixtures	87.17	2.03	–	89.20	56.81	7.99	–	64.80	24.40	30.36
(e) Motor Vehicles	52.18	–	–	52.18	44.94	2.32	–	47.26	4.93	7.24
(f) Laboratory Equipment's	0.90	–	–	0.90	0.90	–	–	0.90	–	–
(g) Office equipment's	42.81	5.19	–	48.00	35.24	4.19	–	39.43	8.58	7.57
(h) Computer Equipment's	32.47	2.69	–	35.16	26.77	3.56	–	30.33	4.84	5.71
Total	2,415.93	70.40	–	2,486.32	1,055.61	196.81	–	1,252.42	1,233.90	1,360.31
Previous Year	1,884.18	531.74	–	2,415.93	888.06	167.56	–	1,055.61	1,360.31	996.13
(ii) Capital Work in Process										
(a) Capital Work in Progress	–	206.05	–	206.05	–	–	–	–	206.05	–
Total	–	206.05	–	206.05	–	–	–	–	206.05	–
Previous Year	339.23	141.49	480.72	–	–	–	–	–	–	339.23

Notes on Consolidated Financial Statements

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

Capital Work in Process

(₹ in Lakh)

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

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

NOTE NO. 14 : NON CURRENT INVESTMENTS

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
(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)	0.77	1.00
(a) Investment in Equity Shares - Unquoted		
Investment in Equity Shares of associates		
(a) Investment in Waveoptix Defence Solution Private Limited (C.Y. 2500 shares)	0.25	–
Add: Share of Associate's Profit/(loss)	1.68	
	1.93	–
Total	2.70	1.00
Aggregate cost of investment in Mutual Funds	0.77	1.00
Aggregate cost of unquoted Investment in equity shares	0.25	–
Aggregate market value/(re-purchase price) of investment in Mutual Funds	0.97	0.90

NOTE NO. 15 : LONG TERM LOANS AND ADVANCES

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
(a) Capital Advance	24.23	28.44
(b) Prepaid Expenses	19.22	7.24
(f) Loan to Related Party (Refer Note Below)		
(i) WaveOptix Defence Solution Private Limited (Refer Note 31G)	215.60	–
Total	259.05	35.67

Note: The Loan is given to the Associate company for the purpose of the business purpose. The loan is extended for the period of maximum five years. The company has charged the interest on above loan at a rate of 10% p.a.

NOTE NO. 16 : OTHER NON CURRENT ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
(a) Security Deposits	89.48	87.39
Less: Provisions	2.88	3.09
	86.60	84.30
(b) Balances with government authorities	21.04	–
(c) Other Balances: (Refer below note (i))		
(i) Bank Balances held as margin money against Guarantees	417.72	157.84
(ii) Fixed Deposit with Bank	138.16	132.93
	555.87	290.77
Total	663.51	375.07

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

Notes on Consolidated Financial Statements

NOTE NO. 17 : INVENTORIES

(At lower of cost and net realizable value)

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
(a) Raw Materials (Includes stock in transit of ₹ 275.14 lakhs (P.Y. ₹ Nil))	757.01	186.97
(b) Work-in-progress	2,287.53	2,518.52
(c) Finished goods (other than those acquired for trading)	–	1.21
(d) Stock-in-trade	65.42	49.01
(e) Stores, Spares and fuel	83.95	74.68
(f) Scrap	54.34	14.35
Total	3,248.24	2,844.74

NOTE NO. 18 : TRADE RECEIVABLES

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good [Refer note no. 32(D)]		
Trade receivables	2,686.28	2,698.63
Less: Provision for doubtful debt	79.53	10.19
Total	2,606.75	2,688.44

NOTE NO. 19 : CASH AND BANK BALANCES

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
(A)) Cash and Cash Equivalents		
(a) Cash on hand	1.87	1.37
(b) Balances with Banks in current accounts		
- In current accounts	6.78	7.89
(c) Fixed deposit with the original maturity with less than 3 Months	501.03	–
	509.68	9.26
(B) Other Balances (Refer below note (i))		
(i) Bank Balances held as margin money against Guarantees	230.33	172.23
(ii) Fixed Deposit with Bank (Refer below note (ii))	644.08	609.25
(iii) Fixed Deposit with Bank	3,031.85	–
	3,906.26	781.48
Total	4,415.94	790.75

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

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

NOTE NO. 20 : SHORT TERM LOAN AND ADVANCES

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
(a) Advances for Expense - Employee	0.95	2.32
(b) Loan to employee	3.89	8.74
(c) Prepaid Expense	49.09	40.68
(d) Balances with government authorities	41.40	173.28
(e) TDS receivable from Financial Institution	–	1.26
Total	95.33	226.28

Notes on Consolidated Financial Statements

NOTE NO. 21 : OTHER CURRENT ASSETS

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
(a) Advance to Suppliers and others (Refer below note)	591.35	62.57
(b) Gratuity Fund [Refer Note No- 31 (A)]	–	3.71
Total	591.35	66.28

Note:

This includes Advance for material given to White Gold Technologies LLP amounting to ₹ 227.77 lakhs in which the director of the company is partner.

NOTE NO. 22 : REVENUE FROM OPERATIONS

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(a) Sale of products(Refer note 22(i))	10,410.39	6,225.96
(b) Other Operating revenue(Refer note 22(ii))	232.41	139.38
Total	10,642.80	6,365.33

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

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
Sale of manufactured goods		
Defence Product	8,702.69	2,903.52
Dairy & Kitchen Equipment	694.19	610.77
	9,396.88	3,514.29
Sale of Traded goods		
Defence Product	331.22	2,266.16
Dairy & Kitchen Equipment	682.29	445.50
	1,013.51	2,711.67
Less:- Goods & Service Tax		
Total Sale of Products	10,410.39	6,225.96

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

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(i) Scrap Sales	155.69	139.38
(iii) Export Incentives	0.68	–
(iv) Recovery of Late Delivery Chages	76.04	–
Total - Other operating revenues	232.41	139.38

Notes on Consolidated Financial Statements

NOTE NO. 23 : OTHER INCOME

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(a) Interest Income (Refer Note 23(i))	115.63	51.38
(b) Rental Income	3.06	3.66
(c) Net gain on foreign currency transactions	0.68	14.99
(d) Misc. Income	0.58	0.03
(e) Profit on sale of Asset	5.37	—
(f) Amount no longer payable written back	—	25.22
Total	125.32	95.28

Note No. 23 (i) Interest Income comprises of

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(i) Interest from Bank on:		
Fixed Deposits	111.42	51.38
(ii) Interest from othres:		
WaveOptix Defence Solution Private Limited	4.20	—
Total - Interest income	115.63	51.38

Note No. 23 (ii) Other Non- Operating Income comprises of

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(i) Rental income	3.06	3.66
Total	3.06	3.66

NOTE NO. 24 : COST OF MATERIALS CONSUMED

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
Raw Materials Consumption		
Opening Stock	186.97	84.52
Add: Purchases	5,200.85	1,906.11
	5,387.83	1,990.63
Less: Closing stock	757.01	186.97
Cost of Material consumed	4,630.82	1,803.65
Total	4,630.82	1,803.65

Note No. 24 (i) Cost of materials consumed comprises of:

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
Raw Material		
(a) S S Sheet / Plats	4,630.82	1,803.65
Total	4,630.82	1,803.65

Notes on Consolidated Financial Statements

NOTE NO. 25 PURCHASE OF TRADED GOODS

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
Purchase of traded goods	832.89	2,643.95
Total	832.89	2,643.95

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

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(a) Inventories at the beginning of the year:		
Finished Goods	1.21	1.21
Work in Progress	2,518.52	1,389.65
Stock in Trade	49.01	18.98
Scrap	14.35	42.30
	2,583.09	1,452.14
(b) Inventories at the end of the year:		
Finished Goods	—	1.21
Work in Progress	2,287.53	2,518.52
Stock in Trade	65.42	49.01
Scrap	54.34	14.35
	2,407.29	2,583.09
Net Change in Inventories	175.80	(1,130.94)

NOTE NO. 27 : EMPLOYEE BENEFIT EXPENSES

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(a) Salaries, wages, bonus etc.	1,031.56	754.77
(b) Remuneration to directors	96.35	89.87
(c) Contributions to Provident and other funds	79.18	55.91
(d) Staff welfare expenses	26.47	17.79
Total	1,233.56	918.35

NOTE NO. 28 : FINANCE COSTS

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(i) Interest expense		
(a) on borrowings	125.82	101.36
(ii) Other borrowing costs	0.91	8.20
(iii) Interest on statutory Dues	8.99	0.69
Total	135.71	110.26

Notes on Consolidated Financial Statements

NOTE NO. 29 : OTHER EXPENSES

(₹ in Lakh)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Store & Spares Consumed	201.00	159.95
Job Work & Labour Charges	644.24	270.00
Power & Fuel Expenses	286.85	176.22
Repairs & Maintenance – Plant & Machinery	16.59	6.67
– Building	12.76	3.92
– Others	9.26	8.82
Laboratory and Testing Expenses	33.66	32.63
Travelling and Conveyance	94.90	104.56
Legal & Professional Charges	97.70	48.07
Rates & Taxes	1.03	0.94
Rent Expenses (Refer Note No. 31C)	43.30	43.68
Security Expenses	21.36	18.42
Vehicle Expenses	16.74	17.37
Insurance Expenses	9.23	7.86
CSR Expenses (Refer Note 31F)	8.60	–
Donation Expenses	–	1.75
Factory Expenses	4.09	2.72
Installation charges	25.24	11.98
Freight & Forwarding charges	73.06	38.51
Telephone & Internet Expenses	8.22	7.38
Provision for doubtful debt & other deposits	69.13	13.28
Payment to Auditors		
a. Statutory Audit	3.25	2.00
b. Tax Audit	0.85	–
c. Other certification services	2.01	1.72
Selling & Distribution Expenses		
a. Commission on sales	22.84	14.85
b. Advertisement	1.76	10.98
c. Freight and Other Expenses	223.33	83.21
d. Discount, Sales Promotion and samples	23.99	30.96
e. Late Delivery Charges	27.61	55.61
e. Tender fees	105.42	–
Bank Charges & Commission	36.13	16.35
Warranty Expenses	1.68	1.47
Miscellaneous Expenses	100.10	53.49
Total	2,225.94	1,245.36

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

30A Contingent Liabilities & Commitments

(₹ in Lakh)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt:		
(i) on account of Liquidated damages levied on the company	185.46	185.46
(ii) Disputed with Provident Fund Authorities	83.35	83.35
(iii) Labour Laws - Claims from Employees / Contractual Personnel including ex-employees	Amount not ascertainable	Amount not ascertainable
(iv) Disputed with Custom Authority	11.47	–
(b) Bank Guarantees issued by bank on behalf of Company for which company has issued counter guarantee	1,840.70	1,173.69
(c) On account of other contingent claims	4.63	4.63
	2,125.61	1,447.13
(ii) Commitments		
(a) Estimated amount of Contracts to be executed on capital account and not provided for net of capital advance	691.13	28.44

Notes on Consolidated Financial Statements

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

(₹ in Lakh)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Raw materials/ Traded Goods	346.56	360.97

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

(₹ in Lakh)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Travelling Expenses	27.32	26.93
(b) Certification Chages	3.45	–

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

(₹ in Lakh)		
Details of consumption of Raw Material *	As at 31 st March, 2024	Year ended March 31, 2023
(i) Imported Raw materials	71.72	14.95
	1.55%	0.83%
(ii) Indigenous Raw materials	4,559.11	1,788.70
	98.45%	99.17%

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

30E Earnings in foreign exchange

(₹ in Lakh)		
Particulars	As at 31 st March, 2024	Year ended March 31, 2023
(a) Export of goods calculated on FOB basis	66.56	9.83

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

(₹ in Lakh)		
Particulars	As at 31 st March, 2024	Year ended March 31, 2023
(a) Amount of dividend remitted in foreign currency	Nil	Nil

NOTE NO. 31 Disclosures under Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2021.

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

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

(a) Defined Contribution Plans:

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

Notes on Consolidated Financial Statements

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

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
Contribution to Provident Fund	40.30	38.57
Contribution to ESIC	8.69	8.11

(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	7.20 % (Previous Year 7.45%)
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	(₹ in Lakh)	
	2023-24	2022-23
Present value of funded obligations	127.65	98.29
Fair value of plan assets	(102.94)	(102.00)
Net Liability (Asset)	24.71	(3.71)

Profit and loss account for the period

Particulars	(₹ in Lakh)	
	2023-24	2022-23
Current service cost	10.92	10.72
Interest on obligation	7.01	6.11
Expected return on plan assets	(7.70)	(7.21)
Net actuarial loss/(gain)	18.18	(1.71)
Total included in 'Employee Benefit Expense'	28.42	7.91

Particulars	(₹ in Lakh)	
	2023-24	2022-23
Loss/(gain) on obligation	18.07	(2.01)
Loss/(gain) on assets	0.11	0.31
Net actuarial loss/(gain)	18.18	(1.71)

Reconciliation of defined benefit obligation

Particulars	(₹ in Lakh)	
	2023-24	2022-23
Opening Defined Benefit Obligation	98.29	94.27
Transfer in/(out) obligation	—	—
Current service cost	10.92	10.72
Interest cost	7.01	6.11
Actuarial loss (gain)	18.07	(2.01)
Benefit paid from fund	(6.64)	(10.79)
Closing Defined Benefit Obligation	127.65	98.29

Notes on Consolidated Financial Statements

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

Reconciliation of plan assets

(₹ in Lakh)		
Particulars	2023-24	2022-23
Opening value of plan assets	102.00	104.69
Transfer in/(out) obligation	—	—
Expected return	7.70	7.21
Actuarial gain/(loss)	(0.11)	(0.31)
Contributions by employer	—	1.20
Benefits paid	(6.64)	(10.79)
Closing value of plan assets	102.94	102.00

Composition of the plan assets

(₹ in Lakh)		
Reconciliation of plan assets	2023-24	2022-23
Policy of insurance	100%	100%

Reconciliation of net defined benefit liability

(₹ in Lakh)		
Particulars	2023-24	2022-23
Net opening provision in books of accounts	(3.71)	(10.42)
Transfer in/(out) obligation	—	—
Transfer (in)/out obligation	—	—
Employee Benefit Expense	28.42	7.91
	24.71	(2.51)
Contributions to plan assets	—	(1.20)
Closing provision in books of accounts	24.71	(3.71)

Principle actuarial assumptions

Particulars	2023-24	2022-23
Discount Rate	7.20% p.a	7.45% p.a
Expected Return on Plan Assets	7.20% p.a	7.45% p.a
Salary Growth Rate	7.00% p.a	7.00% p.a
Withdrawal Rates	20.00% p.a at younger ages reducing to 1.00% p.a at older ages	20.00% p.a at younger ages reducing to 1.00% p.a at older ages

Table of experience adjustments

(₹ in Lakh)		
Particulars	2023-24	2022-23
Defined Benefit Obligation	127.65	98.29
Plan Assets	102.94	102.00
Surplus/(Deficit)	(24.71)	3.71
Experience adjustments on plan liabilities	15.63	2.31
Actuarial loss/(gain) due to change in financial assumptions	2.45	(4.33)
Actuarial loss/ (gain) due to change in demographic assumption	—	—
Experience adjustments on plan assets	0.11	0.31
Net actuarial loss/ (gain) for the year	18.18	(1.71)

(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.

Notes on Consolidated Financial Statements

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

Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Associate Enterprise	(a) Waveoptix Defence Solution Private Limited
Key Management Personnel (KMP)	(a) Mr. Ankur Ashwin Shah, Managing Director
	(b) Mr.Sandeep Ramrao Kadam, Whole time Director
	(c) Mr. Suvendu Banerjee, Whole time Director (upto 27 th May 2022)
	(d) Mrs. Preyal Ankur Shah, Non-Executive Director and Chairperson (w.e.f. 11 th January, 2022)
	(e) Mr. Jaykumar Toshniwal, Independent Director
	(f) Mr. Divyakant Ramniklal Zaveri, Independent Director
	(g) Ms. Charmy Shah, Company Secretary (upto 07 th March, 2024)
	(j) Mr. Piyush Harjibhai Patel, Chief Financial Officer
	(a) Krish Industries Private Limited
	(b) Krish Commodities (India) LLP (Formerly known as Krish Commodities Private Limited
Enterprise in which KMP / Relatives of KMP or Directors can exercise significant influence	(c) Hindustan Cables & Wires
	(d) White Gold Technologies LLP
	(e) Ankur A Shah (HUF)
	(f) Ashwin N Shah (HUF)
	(g) Shah Engineering (Proprietor Ashwin N Shah (HUF))
	(h) Shah Innovators (Proprietor Ankur A Shah (HUF))

Note: Related parties have been identified by the Management.

Details of related party transactions and balances outstanding

I. Details of related party transaction during the year:

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
Remuneration to Directors & Key Managerial Personnel		
Ankur Ashwin Shah	60.00	60.00
Sandeep Kadam	36.35	27.76
Suvendu Banerjee	—	2.11
Piyush Patel	23.40	21.45
Charmy Shah	6.91	5.77
Director Sitting fees		
Divyakant Zaveri	3.80	2.20
Preyal Shah	2.35	1.05
Jaykumar Toshniwal	3.70	2.08
Loan Taken		
Ankur Ashwin Shah	430.46	425.69
Loan Repaid		
Ankur Ashwin Shah	988.51	747.55
Krish Commodities (India) LLP (Formerly known as Krish Commodities Private Limited)	0.88	0.46
Investment in equity shares of Associate		
WaveOptix Defence Solution Private Limited	0.25	—
Purchase		
Krish Industries Pvt Ltd	192.04	233.95
White Gold Technologies LLP	314.83	2.37
WaveOptix Defence Solution Private Limited	59.59	—
Sales		
Krish Industries Pvt Ltd	0.62	4.45
White Gold Technologies LLP	3.74	12.69

Notes on Consolidated Financial Statements

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

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
Rent Expenses		
Krish Industries Pvt Ltd	28.80	28.80
Rent Income		
White Gold Technologies LLP	3.06	3.66
Interest Income		
WaveOptix Defence Solution Private Limited	4.20	—
Loans Given		
WaveOptix Defence Solution Private Limited	215.60	
Reimbursement of Electricity expenses		
Krish Industries Pvt Ltd	147.84	89.54
White Gold technologies LLP	2.13	—
Upfront premium received against Convertible Equity Warrants issued during the year		
Pallavi Ashwin Shah	—	88.20
Preyal Ankur Shah	—	35.70
Ankur Ashwin Shah	152.00	—

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

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
Remuneration Payable		
Ankur Ashwin Shah	—	2.86
Sandeep Kadam	1.27	1.42
Piyush Patel	1.93	1.30
Charmy Shah	—	0.43
Amount Payable		
Ankur Ashwin Shah	237.35	795.40
Krish Commodities Private Limited	5.51	31.39
Krish Industries Pvt Ltd	155.93	152.49
Advances given for material		
White Gold Technologies LLP	231.36	14.87
WaveOptix Defence Solution Private Limited	111.55	—
Amount Receivable - Loans		
WaveOptix Defence Solution Private Limited	215.60	—
Upfront premium received against Convertible Equity Warrants issued during the year		
Pallavi Ashwin Shah	88.20	88.20
Preyal Ankur Shah	35.70	35.70
Ankur Ashwin Shah	152.00	—
Security Deposits		
Krish Industries Pvt Ltd - Rent Deposit Given	10.00	10.00
Krish Commodities Private Limited- Rent Deposits Taken	25.00	—

Notes on Consolidated Financial Statements

3IC 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	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(a) The annual lease rent paid during the year	43.30	43.68
(b) The annual lease rent paid		
Not later than one year	28.80	28.80
Later than one year and not later than five year	43.20	72.00
Beyond five year	—	—

Company as a Lessor

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

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
(a) The annual lease rent received during the year	3.06	3.66
(b) The annual lease rent receivable		
Not later than one year	3.22	3.06
Later than one year and not later than five year	2.25	5.47
Beyond five year	—	—

3ID Disclosures under Accounting Standards - 20 (Earnings Per Share)

Computation of Earnings per share:

Particulars	(₹ in Lakh)	
	2023-24	2022-23
Profit available to Equity Share holders	980.63	529.59
Weighted average number of shares -		
shares Outstanding during the year before bonus issue(Nos.):	1,14,48,000	84,00,000
Add : Bonus Issue made (Nos.)	—	—
Add : Share issued during the year	22,57,026	30,48,000
	1,37,05,026	1,14,48,000
Weighted average number of shares for Basic EPS	1,21,62,414	1,14,48,000
Effect of potential conversion of equity share warrants outstanding	3,02,618	—
Weighted average number of shares for Diluted EPS	1,24,65,032	1,14,48,000
Face Value per share	10.00	10.00
Basic Earnings per share	8.06	4.63
Diluted Earnings per share	7.87	4.63

3IE Disclosures under Accounting Standards- 22 (Accounting for taxes on Income)

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of Property, plant and equipment	36.51	37.21
Tax effect of items constituting deferred tax liability	36.51	37.21
Tax effect of items constituting deferred tax assets		
Provision for doubtful debts and other deposits	20.02	3.34
On items disallowed u/s 43B of Income Tax Act, 1961	17.62	10.75
Tax effect of items constituting deferred tax assets	37.63	14.09
Net deferred tax (liability) / asset	1.13	(23.11)

Notes on Consolidated Financial Statements

31F Disclosures related to 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

(₹ in Lakh)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Gross amount required to be spent by the company during the year	8.60	—
(b) Amount spent during the year on		
1. Construction / Acquisition of Assets		
— In cash	—	—
— Yet to be paid in cash	—	—
2. On purpose other than (i) above		
— In cash	8.60	—
— Yet to be paid in cash	—	—
(c) Shortfall at the end of the year	—	—
(d) Total of previous years shortfall	—	—
(e) Reason for shortfall	—	—
(f) Nature of CSR activities	promoting education	NA
(g) Details of related party transactions	—	—
(h) Movements in the provision of CSR during the year		
Balance at the beginning of the year	—	—
Provision made during the year	—	—
Provision utilised during the year	—	—
Balance at the end of the year	—	—

31G Disclosure as per section 186(4) of the Companies Act, 2013

(i) The company has given advances & loan to following parties and the outstanding balances are as under:

(₹ in Lakh)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Advances and Loan given to Associates for its principal business activity		
Waveoptix Defence Solution Private Limited	215.60	—

31H Disclosures under Accounting Standard-17 (Segment Reporting)

Operating Segments

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

- Dairy & Kitchen equipment's segment
- Defence Products

(₹ in Lakh)						
Particulars	As at March 31, 2024			As at March 31, 2023		
	Dairy & Kitchen equipment's segment	Defence Products	Total	Dairy & Kitchen equipment's segment	Defence Products	Total
Revenue						
External	1,461.93	9,180.87	10,642.80	1,146.10	5,219.23	6,365.33
Inter Segment	—	—	—	—	—	—
Total Sales & Operating Income	1,461.93	9,180.87	10,642.80	1,146.10	5,219.23	6,365.33
Other Income	11.52	16.65	28.17	6.46	15.27	21.73
Total Income	1,473.45	9,197.52	10,670.97	1,152.56	5,234.50	6,387.06
Segment Results	92.10	1,952.81	2,044.91	91.86	1,139.04	1,230.90
Add: Interest and Other Income			97.15			73.55
Less: other unallocable expenses			822.68			631.25
Profit Before Tax			1,319.38			673.17
Less: Taxes			338.74			143.59
Profit After Tax			980.63			529.59

Notes on Consolidated Financial Statements

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

(₹ in Lakh)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Dairy & Kitchen equipment's segment	Defence Products	Total	Dairy & Kitchen equipment's segment	Defence Products	Total
Segment Asset	829.07	7,585.46	8,414.53	1,127.57	6,107.03	7,234.60
Unallocated Corporate Assets			4,935.06			1,233.57
Total Assets			13,349.59			8,468.17
Segment Liability	138.87	1,449.95	1,588.82	365.86	2,104.21	2,470.07
Unallocated Corporate Liabilities			1,116.63			4,381.49
Total Liabilities			2,705.45			6,851.56
Capital Expenditure	3.65	242.89	246.55	79.78	192.12	271.91
Unallocated Capital Expenditure			0.88			4.54
Total Capital Expenditure			247.43			276.45
Segment Depreciation	6.46	200.37	206.83	16.70	169.92	186.62
Unallocated Segment Depreciation			8.86			10.18
Total Segment Depreciation			215.69			196.81

NOTE NO. 32: Other Disclosures

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

The Group 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 :

(₹ in Lakh)

SN	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
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	105.92	219.74
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;	—	—
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	—	—
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.		

Notes on Consolidated Financial Statements

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

(₹ in Lakh)

SN	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(a)	Amount Receivable	–	9.83
		\$0.00	\$0.12
(b)	Amount Payable	0.03	346.02
		\$0.00	\$4.14
(c)	Advance received for supply of goods	–	7.13
		\$0.00	\$0.09
(d)	Advance paid for supply of goods	15.43	2.68
		\$0.18	\$0.03
		€ 0.01	

32C Trade Payable Ageing summary

(₹ in Lakh)

SN	Particulars	Less than 1 year	1-2 years	2-3 Years	More than 3 Years	Total
	As at 31st March, 2024					
(i)	MSME	105.92	–	–	–	105.92
(ii)	Others	1,128.37	84.32	5.49	–	1,218.18
(iii)	Disputed Dues - MSME	–	–	–	–	–
(iv)	Disputed Dues - Others	–	–	–	–	–
	Total	1,234.29	84.32	5.49	–	1,324.11
	As at 31st March, 2023					
(i)	MSME	219.74	–	–	–	219.74
(ii)	Others	2,037.83	0.15	–	–	2,037.98
(iii)	Disputed Dues - MSME	–	–	–	–	–
(iv)	Disputed Dues - Others	–	–	–	–	–
	Total	2,257.57	0.15	–	–	2,257.72

32D Trade Receivable Ageing summary

(₹ in Lakh)

SN	Particulars	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 Years	More than 3 Years	Total
	As at 31st March, 2024						
(i)	Undisputed Trade Receivable - Considered Good	2,237.56	62.48	127.12	111.24	143.24	2,681.65
(ii)	Undisputed Trade Receivable - Considered doubtful	–	–	–	–	–	–
(iii)	Disputed Trade Receivable - Considered Good	–	–	–	–	4.63	4.63
(iv)	Disputed Trade Receivable - Considered doubtful	–	–	–	–	–	–
	Total	2,237.56	62.48	127.12	111.24	147.87	2,686.28
	Less: Provision for Doubtful Debt	–	–	–	–	–	79.53
	Total	2,237.56	62.48	127.12	111.24	147.87	2,606.75
	As at 31st March, 2023						
(i)	Undisputed Trade Receivable - Considered Good	2,348.23	79.94	117.80	95.49	52.54	2,694.00
(ii)	Undisputed Trade Receivable - Considered doubtful	–	–	–	–	–	–
(iii)	Disputed Trade Receivable - Considered Good	–	–	–	–	4.63	4.63
(iv)	Disputed Trade Receivable - Considered doubtful	–	–	–	–	–	–
	Total	2,348.23	79.94	117.80	95.49	57.17	2,698.63
	Less: Provision for Doubtful Debt	–	–	–	–	–	10.19
	Total	2,348.23	79.94	117.80	95.49	57.17	2,688.44

Notes on Consolidated Financial Statements

32E Accounting Ratios

(₹ in Lakh)

SN	Particulars	Numerator	Denominator	2023-24	2022-23	Variance (%)	Reason
1	Current Ratio (in times)	Current Assets	Current Liabilities	4.32	1.79	142.08%	Due to funds received from preferential issue of shares parked in the short-term fixed deposit
2	Debt-Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.10	0.51	-81.08%	Due to Repayment of Long term debt
3	Debt Service Coverage Ratio (in times)	Earnings available for debt service	Debt Service	2.68	6.95	-61.45%	Due to Repayment of Long term debt
4	Return on Equity Ratio (in %)	Net Profits after taxes	Average Shareholder's Equity	14.49%	18.45%	-21.44%	NA
5	Inventory Turnover Ratio (in times)	Revenue from operations	Average Inventory	3.49	2.88	21.18%	NA
6	Trade Receivables turnover ratio (in times)	Revenue from operations	Average Accounts Receivable	4.02	2.61	53.94%	Due to Increase in sales
7	Trade Payable turnover ratio (in times)	Cost of sales + Other Expenses	Average Trade Payables	4.39	2.49	76.05%	Due to Increase in purchase in line of increase in sales
8	Net capital turnover ratio (in times)	Revenue from operations	Average Working Capital	1.88	2.94	-36.12%	Due to Increase in sales & increase in short term Fixed deposit
9	Net profit ratio (in %)	Net Profit after tax	Revenue from operations	9.21%	8.32%	10.75%	-
10	Return on Capital employed (in %)	Earning before interest and taxes	Capital Employed	13.45%	14.14%	9.78%	-
11	Return on investment (in %)	Income from Investment	Average Investment	0.00%	NA	NA	NA

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

(₹ in Lakh)

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-23	Axis Bank/Standard	Inventory	2,431.35	2,431.35	-	-
Jun-23	Chartered Bank	Book Debts	1,384.90	1,405.57	20.68	Not material difference
Jun-23		Trade Payable	1,004.81	561.50	(443.31)	See Note 1 below
Sep-23	Axis Bank/Punjab	Inventory	3,049.81	3,020.90	(28.91)	See Note 2 below
Sep-23	National Bank	Book Debts	1,297.72	1,297.72	-	-
Sep-23		Trade Payable	552.79	562.73	9.93	See Note 1 below
Dec-23	Axis Bank/Punjab	Inventory	3,647.09	3,647.09	-	-
Dec-23	National Bank	Book Debts	1,847.27	1,921.46	74.19	Not material difference
Dec-23		Trade Payable	1,560.50	699.71	(860.78)	See Note 1 below
Mar-24	Axis Bank/Punjab	Inventory	3,248.24	2,918.76	329.48	See Note 2 below
Mar-24	National Bank	Book Debts	2,686.28	2,686.28	(0.00)	-
Mar-24		Trade Payable	1,324.11	888.18	435.93	See Note 1 below

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

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

Notes on Consolidated Financial Statements

32H 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	–	No
Cas Weighing India Pvt Ltd	Purchase of Goods	–	No
S V Electronics Limited	Purchase of Office Equipment	0.02	No
National Small Industries Corporation Ltd	Availment of service	–	No

- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that The Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii) he Company do not have any such transaction which is not recorded in the books of accounts and that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- viii) The Company holds all the title deeds of immovable property in its name.
- ix) The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.

NOTE NO. 33: 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:

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Opening Balance	7.92	14.80
Add: Provision created during the year	1.13	7.53
Less: Provision reversed during the year	1.90	14.41
Total	7.15	7.92

Notes on Consolidated Financial Statements

NOTE NO. 34: Details of Associates

Name of the Company	Relationship	Country of Incorporation	(₹ in Lakh)	
			Group's Proportion of Ownership Interest 31 st March, 2024	31 st March, 2023
Waveoptix Defence Solution Private Limited	Associate	India	25.00%	—

Information as per Schedule III of Section 129 of the Companies Act, 2013 is provided as under:

Particulars	(₹ in Lakh)			
	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit or Loss	
	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount
Parent				
Krishna Defence And Allied Industries Limited	99.98%	10,642.46	99.83%	978.96
Associates				
Waveoptix Defence Solution Private Limited	0.02%	1.68	0.17%	1.68
Total	100.00%	10,644.14	100.00%	980.63

NOTE NO. 35:

The financial statements have not been signed by the Company secretary as Ms. Charmy Shah, erstwhile Company Secretary and Compliance Officer had tendered her resignation, with effect from the closure of the business hours of 07th March, 2024. Further, The company has appointed Ms. Gunjan Bhagtani as new Company Secretary and Compliance Officer with effect from 01st June, 2024

NOTE NO. 36:

The financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 25th May, 2024. The financial statements as approved by the Board of Directors are subject to final approval by its Shareholders.

NOTE NO. 37: Previous year's figures

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

As per our report of even date

For CNK & Associates LLP

Chartered Accountants

FRNo. : 101961W/W-100036

Pareen Shah

Partner

Mem no. 125011

Place: Vadodara

Date: 25th May, 2024

For and on behalf of the Board of Directors

Ankur Ashwin Shah

Managing Director

DIN : 01166537

Piyush Harjibhai Patel

Chief Financial Officer

Place: Vadodara

Date: 25th May, 2024

Sandeep Ramrao Kadam

Whole Time Director

DIN : 06841164

NOTICE

NOTICE is hereby given that 11th Annual General Meeting of the Members of Krishna Defence and Allied Industries Limited will be held on Tuesday, the 13th day of August, 2024 at 11:00 a.m. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business,

ORDINARY BUSINESS:

ITEM NO. 1: ADOPTION OF THE AUDITED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024:

To consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended on March 31, 2024, together with the Report of the Board of Directors' and Auditors' and in this regard pass the following resolution as Ordinary Resolution:

"RESOLVED THAT the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the financial year ended on March 31, 2024, and the reports of the Board of Directors and Auditors' thereon laid before this meeting be and are hereby adopted."

ITEM NO. 2: RE-APPOINTMENT OF DIRECTOR:

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

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

SPECIAL BUSINESS:

ITEM NO. 3 – RATIFICATION OF REMUNERATION OF COST AUDITORS

To ratify the remuneration of the Cost Auditors for the financial year ending on 31st March, 2025, and in this regard to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the Cost Auditors appointed by the Board of Directors of the Company, based on the recommendation of the Audit Committee of the Board of Directors, to conduct the audit of the cost records of the Company for the financial year ended on 31st March, 2025, on the remuneration as mentioned herein be and is hereby ratified:

Name of the Cost Auditor	Products	Audit Fees (₹)
M/s. Y.S. Thakar & Co.	Products relating to Iron and Steel & other Machinery	60,000

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

ITEM NO. 4 – APPOINTMENT OF MR. SANDEEP RAMRAO KADAM AS WHOLE-TIME DIRECTOR

To consider and, if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and relevant clause(s) of the Articles of Association of the Company, consent of the members of the Company, be and is hereby accorded for the appointment of Mr. Sandeep Ramrao Kadam, as the whole Time Director of the Company for 5 years with effect from 25.05.2024 to 24.05.2029, on the terms and conditions as detailed hereunder with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment within the prescribed limits / which may be mentioned in Schedule V of the Companies Act, 2013 and any amendment thereof from time to time:

Salary: Not exceeding ₹5,00,000 (Rupees Five Lac Only) per month [including perquisites and other allowance, if any]

Any other terms and conditions in such manner as may be agreed to between the Board of Directors and Mr. Sandeep Ramrao Kadam within limits prescribed.

RESOLVED FURTHER THAT remuneration payable as above is fixed for a period of 3 years [i.e. from 25th May, 2024 to 24th May, 2027] and thereafter remuneration for remaining period of his term as whole time Director will be fixed by passing required resolution at the general meeting as per schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the remuneration including benefits, amenities and perquisites shall nevertheless be paid and allowed to Mr. Sandeep Ramrao Kadam as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the provisions prescribed under Section 197 read with Schedule V to the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act or any statutory modification or reenactment thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Director(s) to give effect to the aforesaid resolutions.

ITEM NO. 5 PAYMENT OF REMUNERATION TO MR. ANKUR ASHWIN SHAH, MANAGING DIRECTOR

To consider and, if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Schedule V thereto and the Rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee, and as per the consent accorded by the Board of Directors of the Company at their meeting held on 20.06.2024 and subject to such approval as required, the consent of the members of the Company be and is hereby accorded to fix remuneration of Mr. Ankur Ashwin Shah (DIN: 01166537), Managing Director of the Company, within prescribed limits, ₹ 10,00,000 per month for the remaining period of his tenure of 2 years from 01.04.2024 to 31.03.2026.

"RESOLVED FURTHER THAT the terms of remuneration as set out in the Explanatory Statement of this Resolution shall be deemed to form part hereof and in the event of any inadequacy or absence of profits in any financial year or years, the aforementioned remuneration comprising salary, perquisites and benefits approved here in be continued to be paid as minimum remuneration to the Managing Director, subject to such other approvals as may be necessary."

"RESOLVED FURTHER THAT all other existing terms and conditions of appointment of Mr Ankur Ashwin Shah shall remain unchanged unless otherwise modified by the Board of Directors of the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the aforesaid Resolution.

ITEM NO. 6 INCREASE IN AUTHORIZED SHARE CAPITAL AND CONSEQUENT ALTERATION TO THE CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION:

To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 13, 61 and 64 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force) (the "Act"); the provisions of the Articles of Association of the Company; and such other statutes, laws, rules, regulations, guidelines, circulars, directions, notifications and clarifications as applicable from time to time, and subject to such other consent(s) / permission(s) / sanction(s), if any, as may be required, consent of the Members of the Company, be and is hereby accorded for increase of and alteration in the Authorised share capital of the Company from ₹ 15,00,00,000 (Rupees Fifteen Crores only) divided into 1,50,00,000 Equity Shares of ₹ 10 each to ₹ 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crore lakhs Only) Equity Shares of ₹ 10 each by creation of additional 50,00,000 (Fifty Lakhs) Equity Shares of ₹10 each ranking pari-passu in all respect with the existing Equity Shares of the Company and consequently, the existing Clause V of the Memorandum of Association of the Company be and is hereby altered and substituted by the following as new Clause:

V. The Authorised Share Capital of the Company is ₹ 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two crore lakhs Only) Equity Shares of ₹ 10 each."

"RESOLVED FURTHER THAT all Directors of the Company, Chief Financial Officer and/or Company Secretary be and are hereby severally authorised to settle any question, difficulty or doubt that may arise in connection with the aforesaid resolution or any other matters related thereto, to file necessary forms with the Registrar of Companies and / or other regulatory authorities, to provide a copy of the resolution certified to be true and to do all such acts, deeds and things, as they may, in their absolute discretion, deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution, without being required to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

ITEM NO. 7 TO APPROVE EMPLOYEE STOCK OPTION PLAN (ESOP - I)

To Consider, and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, any circulars / notifications / guidance / FAQs issued thereunder, as amended from time to time (hereinafter referred as "SEBI SBEB Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in accordance with the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the Approval of the Members be and is hereby accorded to the introduction of "Employee Stock Option Plan -I " (herein referred to as the "ESOP I"/ the "Scheme" or the "Plan") authorizing the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any committee), to create, offer, issue and allot in one or more tranches under the said "ESOP I" at any time to or for the benefit of employees and Directors (excluding Independent Director) of the Company whether whole-time or otherwise, under a Plan titled "Krishna Defence and Allied Industries Limited - Employee Stock Option Plan I" options exercisable up to not more than 3,00,000 (Three Lakh) Equity shares of face value ₹10/- each of the company, (or such other adjusted number of shares for any bonus, consolidation or other re-organization of the capital structure of the Company as may be applicable from time to time) at such prices and on such terms and conditions, in one or more tranches, as may be fixed or determined by the Board in accordance with the SEBI Guidelines, or any other applicable provisions as may be prevailing at that time."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares upon exercise of options from time to time in accordance with the said Plan and such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares of the Company."

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, or other re-organisation, the ceiling aforesaid in terms of the number of Shares reserved under the Plan shall be adjusted with a view to facilitate fair and reasonable adjustment to the eligible employees as per provisions of the SEBI SBEB Regulations and such adjusted number of the Shares shall be deemed to be the ceiling as originally approved.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of securities allotted under the Plan on the Stock Exchanges, where the securities of the company are listed, in due compliance with SEBI SBEB Regulations and other applicable laws.”

“RESOLVED FURTHER THAT the Board or a Committee of the Board be and is hereby authorized to prepare a suitable Plan in accordance with the SEBI Guidelines, or any other applicable provisions as may be prevailing at that time with regard to granting of options, vesting, period of exercise, exercise price, conditions for lapse of the options, tax recovery, termination or amendment to the Plan and such other terms and conditions as may be relevant from time to time.”

“RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue or allotment or listing of the securities under the Plan, the Board/Committee be and is hereby authorized on behalf of the Company to evolve, decide upon and bring into effect and make any modifications, changes, variations, alterations or revisions in the said Plan or to suspend, withdraw or revive the Plan from time to time as per the discretion of the Board/Committee and to do all such acts, deeds and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without requiring the Board/Committee to secure any further consent or approval of the shareholders of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to any Committee of Directors.”

“RESOLVED FURTHER THAT the Company Secretary of the Company be and is hereby authorised to do all such acts, deeds and things as also to execute such documents, writings etc, as may be necessary in this regard.”

ITEM NO. 8 TO APPROVE THE GRANT OF EMPLOYEE STOCK OPTIONS UNDER THE ‘EMPLOYEE STOCK OPTION PLAN I’ TO THE ELIGIBLE EMPLOYEES OF THE COMPANY’S SUBSIDIARY AND / OR ASSOCIATE COMPANIES

To Consider, and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, any circulars / notifications / guidance / FAQs issued thereunder, as amended from time to time (hereinafter referred as “SEBI SBEB Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in accordance with the Memorandum and Articles of Association

of the Company and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the Approval of the Members be and is hereby accorded to the introduction of “Employee Stock Option Plan -I “ (herein referred to as the “ESOP I”/ the “Scheme” or the “Plan”) authorizing the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any committee), to create, offer, issue and allot in one or more tranches under the said “ESOP I” at any time to or for the benefit of person(s) who are in employment of any existing or future subsidiary and or associate company(ies) of the Company present and future, in India, including any director who is in wholetime employment (other than employees / directors who are promoters or belonging to the promoter group, independent / non-executive directors and directors holding directly or indirectly more than ten percent of the outstanding equity shares of the Company), subject to their eligibility as may be determined, under a Plan titled “Krishna Defence and Allied Industries Limited - Employee Stock Option Plan I” options exercisable up to not more than 3,00,000 (Three Lakh) Equity shares of face value ₹10/- each of the company, (or such other adjusted number of shares for any bonus, consolidation or other re-organization of the capital structure of the Company as may be applicable from time to time) at such prices and on such terms and conditions, in one or more tranches, as may be fixed or determined by the Board in accordance with the SEBI Guidelines, or any other applicable provisions as may be prevailing at that time.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares upon exercise of options from time to time in accordance with the said Plan and such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, or other re-organisation, the ceiling aforesaid in terms of the number of Shares reserved under the Plan shall be adjusted with a view to facilitate fair and reasonable adjustment to the eligible employees as per provisions of the SEBI SBEB Regulations and such adjusted number of the Shares shall be deemed to be the ceiling as originally approved.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of securities allotted under the Plan on the Stock Exchanges, where the securities of the company are listed, in due compliance with SEBI SBEB Regulations and other applicable laws.”

“RESOLVED FURTHER THAT the Board or a Committee of the Board be and is hereby authorized to prepare a suitable Plan in accordance with the SEBI Guidelines, or any other applicable provisions as may be prevailing at that time with regard to granting of options, vesting, period of exercise, exercise price, conditions for lapse of the options, tax recovery, termination or amendment to the Plan and such other terms and conditions as may be relevant from time to time.”

“RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue or allotment or listing of the securities under the Plan, the Board/Committee be and is hereby authorized on behalf of the Company to evolve, decide upon and bring into effect and make any modifications, changes, variations, alterations or revisions in the said Plan or to suspend, withdraw or revive the Plan from time to time as



per the discretion of the Board/Committee and to do all such acts, deeds and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without requiring the Board/Committee to secure any further consent or approval of the shareholders of the Company.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any powers conferred herein to any Committee of Directors.”

“**RESOLVED FURTHER THAT** the Company Secretary of the Company be and is hereby authorised to do all such acts, deeds and things as also to execute such documents, writings etc, as may be necessary in this regard.”

**By Order of the Board of Directors
Krishna Defence and Allied Industries Limited**

Sd/-

Ankur Shah

Managing Director

DIN: 01166537

Sd/-

Preyal Shah

Chairperson & Non-Executive Director

DIN: 06966962

Place: Mumbai

Date: 20.06.2024

NOTES:

1. The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular Nos. 20/2020, 10/2022 and 09/2023 dated 05 May, 2020, 28 December, 2022 and 25 September, 2023 respectively, and other circulars issued in this respect ("MCA Circulars") allowed, inter-alia, conduct of AGMs through Video Conferencing / Other Audio-Visual Means ("VC/ OAVM") facility. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated 05 January, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 07 October, 2023 ("SEBI Circulars") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In compliance with these Circulars, provisions of the Companies Act, 2013 ("the Act") and the Listing Regulations, the 11th AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 11th AGM shall be the Registered Office of the Company.
2. In compliance with applicable provisions of the Companies Act, 2013 ('the Act') read with the aforesaid MCA Circulars and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the 11th AGM of the Company is being conducted through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
3. Bigshare Services Pvt. Ltd., will be providing facility for voting through remote e-voting, for participation in AGM through VC/ OAVM facility and e-voting during the AGM.
4. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars and SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice. However, corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution/authorization letter to the Company on its registered email address to cs@krishnaallied.com or upload on the VC portal / e-Voting portal.
5. Participation of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.
6. The Explanatory Statement pursuant to Section 102(1) of the Act with respect to the Ordinary/Special Business to be transacted at the meeting set out in the Notice is annexed hereto.
7. The brief details of the persons seeking appointment/re-appointment as Directors as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is also annexed to this Notice.
8. In line with the aforesaid MCA Circulars and SEBI Circular dated May 13, 2022 the Notice of AGM ('Notice') is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Member may note that Notice will also be available on the Company's website at <https://krishnaallied.com/> website of the Stock Exchange i.e. NSE Limited at <https://www.nseindia.com/> and on the website of Bigshare Services Pvt Ltd., the e-voting agency at <https://ivote.bigshareonline.com> Any person who has acquired shares and become member of the Company after the dispatch of this Notice and holding shares as on the cutoff date may obtain electronic copy of Notice of AGM by sending a request to the Company or Company's RTA.
9. The Register of members and Share Transfer Books of the Company will remain closed from, Monday 05th day of August, 2024 to Tuesday 13th day of August, 2024 (both days inclusive) for annual closing.
10. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member as on the cut-off date i.e. 4th day of August, 2024. A person, whose name is recorded in the register of members by the depositories as on the cut-off date, i.e. 4th day of August, 2024 only, shall be entitled to avail the facility of e-voting / Poll.
11. Members desirous of obtaining information/details about the accounts, are requested to write to the Company at least one week before the meeting, so that proper information can be made available at the time of meeting. The Members desirous of inspection of documents may write to the Company through E-mail and the same shall be sent to them electronically.
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc with the Depository through their Depository Participant(s).
13. **Bigshare i-Vote E-Voting System**

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- i. The voting period begins on Saturday 10th day of August, 2024, at 09:00 a.m. and ends at 05:00 p.m Monday 12th day of August. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Sunday, August 04, 2024 may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been

observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account

holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

- I. Pursuant to above said SEBI Circular, Login method **for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of BIGSHARE the e-Voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. BIGSHARE, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

2. Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on “**LOGIN**” button under the ‘**INVESTOR LOGIN**’ section to Login on E-Voting Platform.
- Please enter you ‘**USER ID**’ (User id description is given below) and ‘**PASSWORD**’ which is shared separately on you register email id.
 - Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.
 - Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.
 - Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

Note If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

NOTE: If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.>

bigshareonline.com and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**INVESTOR LOGIN**’ tab and then Click on ‘Forgot your password?’
- Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**Reset**’.

(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for shareholders on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.
- Click on “**VIEW EVENT DETAILS(CURRENT)**” under ‘**EVENTS**’ option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on “**VOTE NOW**” option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option “**IN FAVOUR**”, “**NOT IN FAVOUR**” or “**ABSTAIN**” and click on “**SUBMIT VOTE**”. A confirmation box will be displayed. Click “**OK**” to confirm, else “**CANCEL**” to modify. Once you confirm, you will not be allowed to modify your vote.

- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can **"CHANGE PASSWORD"** or **"VIEW/UPDATE PROFILE"** under **"PROFILE"** option on investor portal.

3. Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
 - Click on **"REGISTER"** under **"CUSTODIAN LOGIN"**, to register yourself on Bigshare i-Vote e-Voting Platform.
 - Enter all required details and submit.
 - After Successful registration, message will be displayed with **"User id and password will be sent via email on your registered email id"**.
- NOTE:** If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.
- If you have forgotten the password: Click on **'LOGIN'** under **'CUSTODIAN LOGIN'** tab and further Click on 'Forgot your password?'
 - Enter **"User ID"** and **"Registered email ID"** Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on 'RESET'.

(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for Custodian on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under **"DOCUMENTS"** option on custodian portal.
 - Click on **"DOCUMENT TYPE"** dropdown option and select document type power of attorney (POA).
 - Click on upload document **"CHOOSE FILE"** and upload power of attorney (POA) or board resolution for respective investor and click on **"UPLOAD"**.
- Note:** The power of attorney (POA) or board resolution has to be named as the **"InvestorID.pdf"** (Mention Demat account number as Investor ID.)
- Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select **"VOTE FILE UPLOAD"** option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on **"UPLOAD"**. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can **"CHANGE PASSWORD"** or **"VIEW/UPDATE PROFILE"** under **"PROFILE"** option on custodian portal.

Helpdesk for queries regarding e-voting:

Login type	Helpdesk details
Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at https://ivote.bigshareonline.com , under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

4. Procedure for joining the AGM/EGM through VC/OAVM:

For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- The Members may attend the AGM through VC/OAVM at <https://ivote.bigshareonline.com> under Investor login by using the e-voting credentials (i.e., User ID and Password).
- After successful login, **Bigshare E-voting system** page will appear.
- Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘**EVENTS**’ option on investor portal.
- Select event for which you are desire to attend the AGM/EGM under the dropdown option.
- For joining virtual meeting, you need to click on “VC/OAVM” link placed beside of “**VIDEO CONFERENCE LINK**” option.
- Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

The instructions for Members for e-voting on the day of the AGM/EGM are as under:-

- The Members can join the AGM in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through

remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Helpdesk for queries regarding virtual meeting:

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions ('FAQs') available at <https://ivote.bigshareonline.com>, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

14. Other Information:

1. CS Ruchita Patel, Partner of DRP & Associates (Membership No. ACS - 41685 & Certificate of Practice 15669) has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and e-Voting during the AGM in a fair and transparent manner.
2. The Scrutinizer shall after the conclusion of e-Voting at the AGM, will first count the votes cast during the meeting and thereafter unblock the votes cast through remote e-Voting and shall make, in two working days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the e-Voting forthwith.
3. The results declared of e-Voting along with the report of the Scrutinizer shall be placed on the website of the Company at <https://www.krishnaallied.com> immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange i.e. NSE Limited.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(I) OF THE COMPANIES ACT, 2013

Pursuant to section 102 of the Companies Act, 2013 as required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the businesses mentioned under Item No. 3 to 8 of the accompanying Notice.

ITEM NO. 3 RATIFICATION OF REMUNERATION OF COST AUDITORS

In terms of the provisions of Section 148 of the Companies Act, 2013 and based on the recommendation of the Audit Committee, the Board of Directors had approved the appointment and remuneration of M/s. Y.S. Thakar & Co., as the Cost Auditors to carry out the audit of Cost Records for Products relating to Iron and Steel & other Machinery (collectively called as "Products") respectively for the financial year ended on 31st March, 2025 as per the following details.

Name of the Cost Auditor	Products	Audit Fees (₹)
M/s. Y.S. Thakar & Co.	Products relating to Iron and Steel & other Machinery	60,000

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any amendment(s) or modification(s) thereof), the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution, as set out at Item No. 3 of the Notice, for ratification of the remuneration payable to the Cost Auditors of the Company for the financial year 2024-25.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of this Notice.

The Board recommends the resolution set out at Item No. 3 of the Notice for your approval.

ITEM NO. 4 APPOINTMENT OF MR. SANDEEP RAMRAO KADAM AS WHOLE-TIME DIRECTOR

Mr. Sandeep Ramrao Kadam has wide experience and expertise in Engineering Sector. His dedicated effort and leadership have helped to restructure the Company. Taking into consideration his commendable work and involvement in the day to day activities of the Company, the Board of Directors had in their meeting held on May 25, 2024 appointed Mr. Sandeep Ramrao Kadam as a Whole-time Director for a further period of five years from 25.05.2024, as approved by the Remuneration Committee at remuneration and upon such terms and conditions as set out below.

Notwithstanding anything to the contrary contained in the Company's Articles of Association, Mr. Ramrao Kadam shall not so long as he acts as the Whole time Director of the Company receive any fee for attending of the Board or a Committee thereof.

The remuneration proposed is in accordance with Section 196, Section 197 and Section 203 of the Companies Act, 2013 read with its relevant rules made thereunder and Schedule V and all other applicable provisions of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and as approved by Board of Directors and subject to the approval of Shareholders of the Company by way of the Special Resolution in the AGM.

Additional Information required under Section II, part II of Schedule V of the Companies Act, 2013:

I. General Information

Nature of Industry	Engineering & Defence	
Date or expected date of commencement	10/09/2013	
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
Financial performance based on given Indicators As per the Audited Financial Results for the year ended on 31.03.2024	Particulars	(₹ in Lakhs)
	Revenue from Operations	10,642.80
	Profit(Loss) Before Tax	1317.70
	Profit(Loss) After Tax	978.96
Foreign investments or collaborations, if any	Nil	

II. Information about the appointee

Background details	Mr. Sandeep Ramrao Kadam is currently appointed as Director of the Company and now has been appointed as Whole-Time Director of the Company with effect from 25 th May, 2024. He has completed his Bachelor of Engineering (Mechanical) from North Maharashtra University, Jalgaon in the year 1997 and has an experience of around 25 years in the field of project Management / Industrial & Product Engineering.
Past remuneration	₹ 3,23,288 Per Month
Job profile and his suitability	Whole Time Director of the Company
Remuneration proposed	₹ Up to 5,00,000 Per Month
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed Remuneration of Mr. Sandeep Ramrao Kadam, who is a thorough Professional, possessing invaluable and rich knowledge, experience and insights complemented with vast experience in engineering sector, is comparable with Executive Directors of other Companies and is in parity with the Industry Standards for such a responsible position.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel 15[or other director], if any.	Not Applicable

III. Other Information

Reasons of loss or inadequate profits	The Company is still in the process of gaining experience and building a track record that would qualify the Company to implement large size mandates. There is a continuous improvement in the performance of the Company, and the Company will soon generate adequate profits.
Steps taken or proposed to be taken for improvement	The Company has also undertaken a cost review with a view to optimize resources and control costs. The Company's business outlook for the next FY remains promising. Growth will be contingent upon Government policies as the Company's business is intrinsically linked to Government policies and schemes.
Expected increase in productivity and profits in measurable terms	With the above measures, both the turnover and profits of the Company are expected to increase 50 %.

None of the Directors or KMP are concerned or interested in this resolution other than Mr. Sandeep Kadam to the extent of remuneration received. The Board of Directors recommends the resolution set at Item No. 4 of this Notice for your approval.

Accordingly, approval of the Members of the Company is hereby sought by way of special resolution as set out in Item No.4 of this Notice.

ITEM NO. 5 PAYMENT OF REMUNERATION TO MR. ANKUR ASHWIN SHAH, MANAGING DIRECTOR

Mr. Ankur Shah is a highly qualified person and is a prominent and successful Industrialist with a wide and varied experience in the engineering industry. Mr. Ankur Shah has professional approach with great business acumen. Due to his foresightedness and hard work, the Company is achieving greater heights. Your Directors foresee a bright future of the Company under his management. Considering his valuable efforts, the Board of Directors at their meeting held on 09 April, 2021, re-appointed him as Managing Director of the Company w.e.f. 01 April, 2021 for a period of five years, which was subsequently approved by Shareholders in the AGM of the Company.

Keeping in view the above and Industrial standards and with a recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company has, in its meeting held on 20 June, 2024, unanimously recommended to continue the payment of remuneration of ₹10,00,000 per month to Mr. Ankur Ashwin Shah, Managing Director of the Company from for the remaining tenure of his appointment i.e. w.e.f. 1 April, 2024 to 31 March, 2026.

Additional Information required under Section II, part II of Schedule V of the Companies Act, 2013:

I. General Information

Nature of Industry	Engineering & Defence								
Date or expected date of commencement	10/09/2013								
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable								
Financial performance based on given Indicators As per the Audited Financial Results for the year ended on 31.03.2024	<table> <tr> <th>Particulars</th><th>(₹ in Lakhs)</th></tr> <tr> <td>Revenue from Operations</td><td>10,642.80</td></tr> <tr> <td>Profit(Loss) Before Tax</td><td>1317.70</td></tr> <tr> <td>Profit(Loss) After Tax</td><td>978.96</td></tr> </table>	Particulars	(₹ in Lakhs)	Revenue from Operations	10,642.80	Profit(Loss) Before Tax	1317.70	Profit(Loss) After Tax	978.96
Particulars	(₹ in Lakhs)								
Revenue from Operations	10,642.80								
Profit(Loss) Before Tax	1317.70								
Profit(Loss) After Tax	978.96								
Foreign investments or collaborations, if any	Nil								

II. Information about the appointee

Background details	Mr. Ankur Ashwin Shah originally appointed on the board as first director on incorporation dated September 10, 2013 and he was designated as Managing Director w.e.f. April 01, 2015 for the period of 5 years and further re-designated as Managing Director for a term of 5 years w.e.f. April 01, 2021. Mr. Ankur Ashwin Shah holds a degree of Bachelor of Engineering (Production) from University of Bombay and has an overall experience of 24 years in all kinds of Steel work including Smelting, Rolling, Drawing, Heat Treatment etc. He is involved in the overall Business Operations of the Company. Under his leadership, our company has been successful in expanding its diversified product portfolio and customer base.
Past remuneration	₹ 5,00,000 Per Month for FY 2023-24
Job profile and his suitability	Managing Director of the Company
Remuneration proposed	₹ 10,00,000 Per Month
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed Remuneration of Mr. Ankur Ashwin Shah, who is a thorough Professional, possessing invaluable and rich knowledge, experience and insights complemented with vast experience in engineering sector, is comparable with Managing Directors of other Companies and is in parity with the Industry Standards for such a responsible position.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	Mrs. Preyal Ankur Shah, Director & Chairperson of the Company is wife of Mr. Ankur Ashwin Shah.

III. Other Information

Reasons of loss or inadequate profits	The Company is still in the process of gaining experience and building a track record that would qualify the Company to implement large size mandates. There is a continuous improvement in the performance of the Company, and the Company will soon generate adequate profits.
Steps taken or proposed to be taken for improvement	The Company has also undertaken a cost review with a view to optimize resources and control costs. The Company will continue to ideate solutions for improving mobility and is confident that these solutions will contribute significantly to the Company's revenues going forward. The Company's business outlook for the next FY remains promising. Growth will be contingent upon Government policies as the Company's business is intrinsically linked to Government policies and schemes.
Expected increase in productivity and profits in measurable terms	With the above measures, both the turnover and profits of the Company are expected to increase 50 %

None of the KMP or Directors other than Mr. Ankur Ashwin Shah and Mrs. Preyal Ankur Shah who is wife of Mr. Ankur Ashwin Shah are concerned or interested in this resolution. The Board of Directors recommends the resolution set at Item No. 5 of this Notice for your approval.

Accordingly, approval of the Members of the Company is hereby sought by way of special resolution as set out in Item No.5 of this Notice.

ITEM No. 6 INCREASE IN AUTHORISED CAPITAL

Presently, the Authorized Share Capital of the Company is ₹ 15,00,00,000/- (Rupees Fifteen Crore only) divided into 1,50,00,000 (One crore Fifty lakhs only) Equity shares of Face Value of ₹ 10/- (Rupee Ten Only) each. In line with the Growth Plans of the Company, additional capital would be required in order to fund the growth and operations of the Company. The current Paid up share capital of the Company is ₹ 14,05,90,260/- (Rupees Fourteen Crore Five Lakhs Ninety Thousand Two Hundred and Sixty Rupees Only) and further issue of shares pursuant to exercise of employee stock options, subject to requisite approvals would require increase in the existing Authorized Share Capital of the Company.

It is proposed to increase the Authorized Share Capital to ₹ 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two crores Only) Equity Shares of Face Value of ₹ 10/- (Rupees Ten Only) each by addition of 50,00,000 (Fifty Lakhs) Equity Shares of Face Value of ₹ 10/- (Rupee Ten Only) each. The increase in the Authorized Share Capital as aforesaid would entail consequential alteration of the existing Clause V of the Memorandum of Association of the Company.

The increase in the Authorized Share Capital and consequential alteration to Clause V of the Memorandum of Association of the Company would require Members' approvals in terms of Sections 13, 61 and 64 of the Companies Act, 2013 and any other applicable statutory and regulatory requirements.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of this Notice except to the extent of their shareholding in the Company.

Accordingly, approval of the Members of the Company is hereby sought by way of ordinary resolution as set out in Item No.6 of this Notice.

ITEM No. 7 & 8 EMPLOYEE STOCK OPTION PLAN "ESOP I"

The Company proposes to introduce ESOP -I for the benefit of the present and future permanent employees and directors (whether whole-time or not) and such other eligible persons as may be determined as per SEBI SBEB Regulation 2021. Options granted under the Scheme shall vest on satisfaction of vesting conditions which can thereafter be exercised resulting in allotment of equity shares of the Company.

The Nomination and Compensation Committee ("Committee") of the Company shall act as Compensation Committee for administration of "ESOP I". All questions of interpretation of the "ESOP I" shall be determined by the Committee and such determination shall be final and binding.

The said scheme shall be applicable for all eligible employees as defined in the scheme for the Company including employees of any existing or future subsidiary and/or associate company(ies) of the Company.

The main features of Krishna Defence and Allied Industries Limited ESOP I ("ESOP – I") are as under:

Sr. No.	Particulars	Description
1.	Brief Description	ESOP I contemplates grant of employee stock option to the eligible employees and Directors of the Company as may be determined in due compliance of extant law and provisions of ESOP I. After vesting of options, the option grantee earns a right to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of the exercise price and satisfaction of tax obligation arising thereon.
2.	Total No. of options to be granted	Upto 3,00,000 (Three Lakh) options would be granted to eligible employees of the Company under ESOP I. Each option when exercised would be converted into one equity share of face value of ₹ 10/- (Rupees Ten Only) fully paid up.
3.	Identification of classes of employees entitled to participate in ESOP 2024	The following classes of employees/ Directors are eligible: (i) an employee as designated by the Company, who is exclusively working in India; or (ii) a director of the Company, whether whole time or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; (iii) an employee as defined in (i) & (ii) above of the Company including its subsidiary or its associate Company, in India or Outside India or of a holding Company, The following are excluded: a. an Employee who is a Promoter or belongs to the Promoter Group; and b. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company

Sr. No.	Particulars	Description
4.	Appraisal Process for Determining Employee Eligibility	It shall be decided by the Compensation Committee and the factors would include but not limited to performance / period of service / milestones / conduct, etc)
5.	Requirements of vesting & Period of vesting & the Maximum period within which the options will be Vested	Options shall vest essentially based on the continuation of employment/ service as per requirement of SEBI SBEB & SE Regulations. Apart from that the Committee may prescribe achievement of any performance condition(s) for vesting. All the Options granted on any date shall vest on expiry of the minimum period of 1 (One) year from the date of grant of Options and not later than maximum period of 5 (five) years from the date of Grant
6.	Maximum period within which the options will be vested	5 (five) years
7.	Exercise Price or Pricing Formula	It shall be decided by the Compensation Committee subject to a minimum of face value per share.
8.	Exercise period and process of exercise	The exercise period would commence from the date of vesting and will expire on completion 1 (One) year from the date of respective vesting. The vested Option shall be exercisable by the Option grantees by a written application to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. Exercise of Options shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the Option grantee. The Options shall lapse if not exercised within the specified exercise period.
9.	Maximum number of options to be issued per employee and in aggregate	The maximum number of Stock Options granted to any one employee in a year shall be less than 1% of the issued Equity Share Capital at the time of grant of Stock Options.
10.	Maximum quantum of benefits to be provided per employee under the scheme	The maximum quantum of benefits underlying the options issued to an eligible employee shall be equal to the difference between the option exercise price and the market price of the share on the exercise date.
11.	Whether the Scheme is to be implemented and administered directly by the Company or through a trust	The Scheme is to be implemented and administered directly by the Company.
12.	Whether the scheme involves new issue of share by the company or secondary acquisition by the trust or both	Scheme involves issue of new shares by the Company
13.	The amount of loan to be provided for implementation of the scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.,	NIL.
14.	Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme	Not Applicable
15.	A Statement to the effect that company shall conform to the accounting policies specified in regulation 15	The company shall comply with the accounting policies.
16.	The method which the company shall use to value its options	Intrinsic Value Method

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 & 8 of this Notice, except to the extent of options granted lawfully as per the Plan.

Accordingly, approval of the Members of the Company is hereby sought by way of special resolution as set out in Item No.7 & 8 of this Notice.

Krishna Defence and Allied Industries Limited

Place: Mumbai
Date: 20.06.2024

Sd/-
Ankur Shah
Managing Director
DIN: 01166537

Sd/-
Preyal Shah
Chairperson & Non-Executive Director
DIN: 06966962

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

Name of Director	Mrs. Preyal Ankur Shah	Mr. Sandeep Ramrao Kadam
DIN	06966962	06841164
Date of Birth	12/10/1980	24/05/1974
Date of Appointment on the Board	11/01/2022	31.03.2024
Relationship Between Directors inter-se	Wife of Mr. Ankur Ashwin Shah (Managing Director of the Company)	NA
Expertise in Specific functional area	15 years	25 Years
Qualification	Bachelor of Commerce	Bachelor of Engineering
Other Board Membership*	-	-
Committee Membership in other public companies	-	-
Number of Shares held in the Company	3,36,000 Shares**	Nil
Justification for appointment	Excellent experience in administration	Excellent experience in engineering

* Private Companies excluded

** Preyal Ankur Shah has been allotted 2,52,000 shares on 25.05.2024 which are pending trading approval as on date.

Notes

[illegible]



KRISHNA

KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED

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

www.krishnaallied.com | info@krishnaallied.com

