D. KOTHARY & CO.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

UDIN : 24132650BKBIKC2527

To the Members of
Krasny Defence Technologies Limited.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Krasny Defence Technologies Limited** (herein after referred as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates which comprise the Consolidated Balance Sheet as at 31st March 2024, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (herein after 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, and based on the consideration of reports of other auditors of financial statements of such associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2024, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to be disclosed.

D. KOTHARY & CO. MUMBAI CHARTERED ACCOUNTANTS

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report 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 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.

Management Responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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.

D. KOTHARY & CO. MUMBAI CHARTERED ACCOUNTANTS

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 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'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 Group 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 Group 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 Group 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 auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

D. KOTHARY & CO. MUMBAI CHARTERED ACCOUNTANTS

Other Matter

The accompanying Statement includes audited financial results and other financial information in respect of subsidiary Krasny Corporate & Technical Service Pvt Ltd. whose financial results include total assets of Rs. 86.33 lakhs as of March 31, 2024, total revenues of Rs. 0.05 lakhs, and total net profit/(loss) after tax of Rs. (0.89 lakhs) for the year ended March 31, 2024, as considered in the Statement, which has been audited by us. Another subsidiary, Keltron Krasny Defence Systems Pvt. Ltd. has financial results showing total assets of Rs. 5.07 lakhs as of March 31, 2024, net profit/(loss) after tax of Rs. (5.56 laks) for the same period, audited by another auditor. Additionally, the subsidiary Krasny Kamen LLC is included in the Statement with unaudited financial figures, comprising total assets of Rs. 28.12 lakhs as of March 31, 2024, total revenues of Rs. 23.38 lakhs and net profit/(loss) after tax of Rs. 2.83 lakhs for the year ended March 31, 2024.

Our opinion on the consolidated financial results is not modified in respect of the above matters with respect to the financial results and other financial information certified by the Board of Directors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of a subsidiary as noted in the 'other matter' paragraph, 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 and the report of the other auditors.

(c) The consolidated balance sheet, the consolidated statement of profit and loss and the consolidated statement of cash flows 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.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies are 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 with reference to financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) Section 197(16) of the Companies Act 2013 requires the auditors of the companies to report as whether the company has paid the managerial remuneration to its directors for the financial year is in accordance with the provisions of this section. However, the company being a private limited company, provisions of section 197 is not applicable to it.

D. KOTHARY & CO.
MUMBAI
CHARTERED ACCOUNTANTS

(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 Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the other financial information of the subsidiaries as noted in the "Other matter" paragraph:

i. The consolidated financial statements do not have any pending litigations which has impact on the consolidated financial position of the Group.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiaries during the year ended 31st March, 2024.

iv.

(a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, 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 Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, 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.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024

D. KOTHARY & CO. MUMBAI CHARTERED ACCOUNTANTS

which does not have a feature of recording audit trail facility and the same has not operated throughout the year for all relevant transactions recorded in the software.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on the preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

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, and based on the CARO reports issued by us for the Holding Company and its subsidiaries included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports

For D. Kothary& Co.
Chartered Accountants
(Firm Registration No. 105335W)
Mehul Navin Patel Digitally signed by Mehul Navin Patel
Mehul N. Patel
Partner
Membership No. 132650
UDIN: 24132650BKBIKC2527

D. KOTHARY & CO. MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 30/09/2024

Annexure - A

To the Independent Auditor's Report on the Consolidated Financial Statements of Krasny Defence Technologies Limited

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

We have audited the internal financial controls over financial reporting of **Krasny Defence Technologies Limited** ("the Company") as of 31st March, 2024 in conjunction with our audit of the Consolidated Financial Statements of the Holding Company, its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") and its associates for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Companies included in the Group, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company, internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 AS 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 Holding Company's internal financial control system with reference to financial statements.

D. KOTHARY & CO. MUMBAI CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements in future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group, have in all material respects, an adequate internal financial control system with reference to financial statements, and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2024, based on the internal controls with reference to financial statements criteria established by the Holding Company, considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **D. Kothary & Co**
Chartered Accountants
(Firm Registration No. 105335W)

Mehul Navin Patel Digitally signed by Mehul Navin Patel

D. KOTHARY & CO. MUMBAI CHARTERED ACCOUNTANTS

Mehul N. Patel
Partner
Membership No. 132650
UDIN: 24132650BKBIKC2527

Place: Mumbai
Date: 30/09/2024

KRASNY DEFENCE TECHNOLOGIES LIMITED
(Formerly known as KRASNY DEFENCE TECHNOLOGIES PRIVATE LIMITED)
CIN : U35110MH1995PLC085711
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

Sr. No.	Particulars	Notes	As at 31st March, 2024 Amount In Lakhs	As at 31st March, 2023 Amount In Lakhs
I.	EQUITY AND LIABILITIES			
1	Shareholder's funds			
	(a) Share capital	3	3,301.53	1,151.53
	(b) Reserves and surplus	4	6,231.96	5,355.46
	(c) Minority Interest (Non Controlling Interest)		2.18	-
			9,535.66	6,506.98
2	Non current liabilities			
	(a) Long term borrowings	5	201.68	266.79
	(b) Deferred tax liabilities (Net)	6	59.92	62.50
	(c) Other Long term liability	7	1.00	1.00
	(d) Long term provisions	8	62.08	50.54
			324.68	380.82
3	Current liabilities			
	(a) Short term borrowings	9	7.12	1,120.30
	(b) Short term provisions	10	11.04	5.46
	(c) Other current liabilities	11	1,016.78	270.25
			1,034.94	1,396.00
	TOTAL		10,895.28	8,283.81
II.	ASSETS			
1	Non current assets			
	(a) Property, Plant and Equipment and Intangible Assets	12		
	(i) Property, Plant & Equipment		987.59	1,070.59
	(ii) Intangible assets		238.47	238.46
	(b) Non current investments	13	2,621.72	2,415.18
	(c) Other non-current assets	14	15.92	16.23
			3,863.70	3,740.47
2	Current assets			
	(a) Trade receivables	15	657.73	1,532.90
	(b) Inventories	16	45.32	51.87
	(c) Cash and cash equivalents	17	2,788.22	1,528.33
	(d) Short term loans and advances	18	804.54	760.15
	(e) Other current assets	19	2,735.78	670.17
			7,031.59	4,543.43
	TOTAL		10,895.28	8,283.89
	Significant accounting policies & Notes to financial statements			

As per our report of even date
For D. Kothary & Co.
Chartered Accountants
Firm Registration No. 105335W

Mehul Navin Patel Digitally signed by Mehul Navin Patel

Mehul N. Patel
Partner
Membership No: 132650

Place : Mumbai
Date : 30/09/2024

For and on behalf of the Board of Directors

V. G. Jayaprakasan
Managing Director
DIN : 00837992

Naveen Jayaprakasan
Director
DIN : 00837932

SHIVANI SINGH Digitally signed by SHIVANI SINGH

Shivani Singh
Company Secretary
Membership No:A65913

Sajeev V. Menon
Chief Financial Officer

Place: Mumbai
Date: 30/09/2024

KRASNY DEFENCE TECHNOLOGIES LIMITED
(Formerly known as KRASNY DEFENCE TECHNOLOGIES PRIVATE LIMITED)
CIN : U35110MH1995PLC085711
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Sr. No.	Particulars	Notes	2023-24 Amount in Lakhs	2022-23 Amount in Lakhs
I	Revenue from operations	20	4,551.76	4,506.90
II	Other incomes	21	178.85	100.42
III	Total Income (A)		4,730.61	4,607.32
IV	Expenses:			
	Cost of stores, spares and tools consumed	22	348.03	2,083.17
	Operating expenses	23	1,790.89	893.86
	Employee benefit expenses	24	870.56	689.69
	Finance costs	25	52.20	38.51
	Depreciation and amortization expenses	12	95.71	94.40
	Other Expenses	26	655.81	303.23
V	Total Expenses (B)		3,813.19	4,102.87
VI	Profit/ (Loss) before exceptional item and tax (A-B)		917.42	504.46
VII	Exceptional Items			
	(a) Preliminary expenses written off		0.51	-
VIII	Profit/ (Loss) before tax (A-B)		916.90	504.46
IX	Tax expense:			
	Current tax		243.64	135.10
	Deffered tax		(2.58)	(4.42)
X	Profit/ (Loss) for the year (VIII-IX)		675.84	373.77
	Share in Profit/(Loss) of associate companies		204.03	192.98
	Minority Interest's Share of Net Income		2.72	-
	Profit/Loss for the year trasnfered to Reserves (VIII-IX)		882.59	566.74
	Earning per share on Equity Shares of Rs. 10 each (Refer Note 28) (In Absolute Fig.)			
	A) Basic		5.87	3.33
	B) Diluted		2.62	3.33
	Significant accounting policies & Notes to financial statements			

As per our report of even date
For D. Kothary & Co.
Chartered Accountants
Firm Registration No. 105335W

Mehul Navin Patel Digitally signed by Mehul Navin Patel

Mehul N. Patel
Partner
Membership No: 132650

Place : Mumbai
Date : 30/09/2024

For and on behalf of the Board of Directors

V. G. Jayaprakasan
Managing Director
DIN : 00837992

Naveen Jayaprakasan
Director
DIN : 00837932

SHIVANI SINGH Digitally signed by SHIVANI SINGH

Shivani Singh
Company Secretary
Membership No:A65913

Sajeev V. Menon
Chief Financial Officer

Place: Mumbai
Date: 30/09/2024

KRASNY DEFENCE TECHNOLOGIES LIMITED

(Formerly known as KRASNY DEFENCE TECHNOLOGIES PRIVATE LIMITED)

CIN : U35110MH1995PLC085711

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Particulars	As at 31st March, 2024 Amount In Lakhs	As at 31st March, 2023 Amount In Lakhs
A. Cash Flow From Operating Activities :		
Net profit before tax as per statement of profit and loss	1,120.94	697.43
Adjustments for :		
Depreciation	95.71	94.40
Interest Income	130.46	93.92
Dividend income	40.28	0.07
Loss on sale of fixed assets	-	(0.24)
Interest Expenses	6.83	30.21
Operating Cash Flow Before Changes in Working Capital	1,052.74	727.82
Changes in current assets and liabilities		
(Increase)/ Decrease in trade receivables	875.18	(759.50)
(Increase)/ Decrease in Loans & Advances and Other Current Assets	(2,109.69)	(299.29)
(Increase)/ Decrease in Inventories	6.55	38.01
Increase/ (Decrease) in Long Term Provisions	11.55	-
Increase/ (Decrease) in other short Term Borrowings	(1,113.18)	575.06
Increase/ (Decrease) in other current Liabilities & Provisions	752.12	(363.97)
Cash Generated From Operations	(524.74)	(81.87)
Payment of Taxes (Net of Refunds)	(249.73)	(2.98)
Net Cash Flow From Operating Activities (A)	(774.47)	(84.85)
B. Cash Flow From Investing Activities :		
Purchase of Fixed Assets	(12.80)	(179.83)
Sale of Fixed Assets	-	0.50
New investments	(206.53)	(265.46)
Dividend income	40.28	0.07
Interest income	130.46	93.92
Net Cash Flow From Investment Activities (B)	(48.59)	(350.80)
C. Cash Flow From Financing Activities :		
(Repayment) / Borrowing from financial Institutions/Others	(65.11)	(227.40)
Financial Expenses	(6.83)	(30.21)
Issue of share capital	2,150.00	74.14
Share Premium	-	987.82
Minority Interest	4.90	-
Net Cash From / (Used In) Financing Activities (C)	2,082.96	804.35
Net Increase In Cash Or Cash Equivalents (A+B+C)	1,259.89	368.69
Cash And Cash Equivalents At The Beginning Of The Year	1,528.33	1,159.64
Cash And Cash Equivalents As At The End Of The Year	2,788.22	1,528.33

As per our report of even date
For D. Kothary & Co.
Chartered Accountants
Firm Registration No. 105335W

Mehul Navin Patel Digitally signed by Mehul Navin Patel

Mehul N. Patel
Partner
Membership No: 132650

Place : Mumbai
Date : 30/09/2024

For and on behalf of the Board of Directors

V. G. Jayaprakasan
Managing Director
DIN : 00837992

Naveen Jayaprakasan
Director
DIN : 00837932

SHIVANI SINGH Digitally signed by SHIVANI SINGH

Shivani Singh
Company Secretary
Membership No:A65913

Sajeev V. Menon
Chief Financial Officer

KRASNY DEFENCE TECHNOLOGIES LTD. ESTD : 1995

Place: Mumbai
Date: 30/09/2024

1 Corporate information

Krasny Defence Technologies Limited is engaged in ship repairing, design and manufacturing of electrical parts & Components business and was incorporated on 17th February, 1995, having its place of business at No.1201,1202, GREAT EASTERN SUMMIT 'B' PREMISES, PLOT NO. - 66, SECTOR - 15, CBD BELAPUR, NAVI MUMBAI - 400614.

2 Significant accounting policies

a) Basis of preparation of financial statements:

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (GAAP) and comply with the accounting standards as per Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 2013 to the extent applicable.

b) Use of estimates:

The preparation of financial statements is in conformity with Generally Accepted Accounting Principles (GAAP) and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

c) Revenue Recognition

a) Sales are recorded net of trade discounts, indirect tax, rebates and excise duty. Revenue from sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured.

b) Incomes from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and is recognised on the basis of Percentage of Completion Method.

c) Interest income is recognised on accrual basis. Dividend income on investment is considered when right to receive is established.

d) Investments:

Investments are classified into non current investments and current investments. Investments which are intended to be held for more than one year are classified as non current investments and investments which are intended to be held for less than one year, are classified as current investments. Non current investments are stated at cost and a provision for diminution in value of non current investments is made only if the decline is other than temporary in the opinion of the management. Current investments are valued at cost or market/fair value whichever is lower. In case of investments in mutual funds, the net asset value of units is considered as market/fair value.

e) Provisions, Contingent Liabilities and Contingent Asset

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the assets and related income are recognized in the period in which the change occurs.

f) Property, Plant and Equipment & Intangible Assets

i) PPE are stated at cost of acquisition and installation less accumulated depreciation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use.

ii) Depreciation on Fixed Assets is provided on Written Down Value Method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in case of the following assets which are depreciated as given below.

Category	Estimated useful life (years)
Office Equipments	5 Years
Furniture & Fixtures	10 Years
Computer	3 Years
Vehicle	8 Years
Intangible assets are not ammortised	-

g) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such condition exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the asset or recoverable amount of the cash generating units to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account.

If at the Balance Sheet date there is an indication that if previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at revised recoverable amount.

h) Foreign currency transactions

a) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of transaction.

b) Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account.

c) Monetary items denominated in foreign currencies at the year end are restated at the year end rates.

d) Non monetary items denominated in foreign currencies are carried at cost.

i) Taxation

a) Current Tax:

Provision for tax is based on the taxable profit for the accounting year after taking into consideration the relevant provisions of the Income Tax Act, 1961.

b) Deferred Tax:

Deferred tax resulting from timing difference between accounting and taxable income is accounted for using the tax rates and laws that are enacted or substantively enacted on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent there is a virtual certainty that the asset will be realised in future.

j) Borrowing Cost:

Interest and other costs incurred in connection with the borrowing of the funds are charged to revenue on accrual basis except those borrowing costs which are directly attributable to the acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use. Such costs are capitalized with the fixed assets.

k) Retirement Benefits:

The Company's retirement benefit obligations are subject to a number of assumptions including discount rates, inflation, salary growth and mortality rate. Significant assumptions are required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's balance sheet and the statement of profit and loss. The Company sets these assumptions based on previous experience and third party actuarial advice. The assumptions are reviewed annually and adjusted following actuarial and experience changes. Further details on the Company's retirement benefit obligations, including key assumptions are set out in note 29.

l) Earnings per share

The basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / loss per share are included.

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NOTE 3 (a) :- SHARE CAPITAL

PARTICULARS	As at 31st March, 2024 Amount In Lakhs	As at 31st March, 2023 Amount In Lakhs
AUTHORISED SHARE CAPITAL		
1,50,00,000 (Previous Year 1,50,00,000) Equity Shares of Rs.10 each	1,500.00	1,500.00
21,50,000 (Previous year Nil) Preference Share of RS. 100 each	2,150.00	-
Total	3,650.00	1,500.00
ISSUED, SUBSCRIBED AND PAID UP		
1,15,15,267 (Previous Year 1,15,15267) Equity Shares of Rs.10 each	1,151.53	1,151.53
21,50,000 (Previous year Nil) Preference Share of RS. 100 each	2,150.00	-
Total	3,301.53	1,151.53

NOTE 3 (b) :- The company has only one class of equity with a par value of Rs. 10/- per share. Each holder of equity shares is entitle to one vote per share.

NOTE 3 (c) :- The company has only one class of preference share with a par value of Rs. 100/- per share. The terms of issue of these preference shares are as follows:

i) CCPS shall be converted into fully paid up Equity Shares of the Company at a post-money valuation based on the following table:

Period of Conversion	36(thirty six) months from the Transaction Date	48(forty eight) months from the Transaction Date
Basis of Conversion	Profit and Loss accounts for the previous 12 months	Profit and Loss accounts for the previous 12 months
Valuation of the Company's equity share capital	5(five) times the profit after tax of the previous 12 months	4(four) times the profit after tax of the previous 12 months
Extent of Conversion	50% (fifty per cent) of the CCPS	Balance 50% (fifty per cent) of the CCPS

ii) If the IPO/Offer for Sale happens prior to conversion as per above clause i, then discounted price for conversion of CCPS into Equity Shares would be arrived with respect to floor price (lower price limit) of IPO/Offer for Sale for Sale price band, so as to give investor a notional IRR of 14% at the floor price of IPO/Offer for Sale.

iii) Prior to any of the events as stated in clause i and ii above the Company and/or Promoters may redeem/purchase the CCPS as per the terms given below in the table.

Date	Between 13th month to 36th months from disbursement	Between 36th month to 48th months from disbursement
Investment IRR p.a. (computed from the Transaction Date by Investor of the respective tranche of fund to the date of redemption/purchase)	14%	14%

NOTE 3 (d) :-
The reconciliation of the number of equity shares outstanding and the amount of share capital as at March 31, 2024 and March 31, 2023 is set out below

PARTICULARS	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares held	Amount In Lakhs	No. of shares held	Amount In Lakhs
Equity Shares				
Number of shares at the beginning	1,15,15,267	1,151.53	1,07,73,822	1,077.38
Add: Fresh Issue	-	-	7,41,445	74.14
Add: Bonus Shares	-	-	-	-
Less: Buy Back	-	-	-	-
Number of shares at the end	1,15,15,267	1,151.53	1,15,15,267	1,151.53

The reconciliation of the number of preference shares outstanding and the amount of share capital as at March 31, 2024 and March 31, 2023 is set out below

PARTICULARS	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares held	Amount In Lakhs	No. of shares held	Amount In Lakhs
0.01% Compulsory Convertible Preference Share of Rs.100/- each				
Number of shares at the beginning	-	-	-	-
Add: Fresh Issue	21,50,000	2,150.00	-	-
Add: Bonus Shares	-	-	-	-
Less: Buy Back	-	-	-	-
Number of shares at the end	21,50,000	2,150.00	-	-

NOTE 3 (e) :- Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares held	% holding	No. of shares held	% holding
Equity shares				
Mr. V. G. Jayaprakashan	82,09,000	71.29%	82,09,000	71.29%
Mrs. Sarala Jayaprakashan	18,55,000	16.11%	18,55,000	16.11%
0.01% Compulsory Convertible Preference Share of Rs.100/- each				
Maharashtra Defence and Aerospace Venture Fund	21,50,000	100.00%	-	-

NOTE 3 (f) :- Details of shares held by promoters:

Shares held by promoters at the end of the year	As at 31st March, 2024		% Change during the year
Promoter's Name	No. of shares	% of total shares	
Mr. V. G. Jayaprakashan	82,09,000	71.29%	0.00%
Mrs. Sarala Jayaprakashan	18,55,000	16.11%	0.00%
Mr. Naveen Jayaprakashan	70,000	0.61%	0.00%
Total	1,01,34,000		

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PARTICULARS	As at 31st March, 2024 Amount In Lakhs	As at 31st March, 2023 Amount In Lakhs
NOTE 4 :- RESERVES AND SURPLUS		
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	3,520.33	2,956.57
Add: Profit / (Loss) for the year	882.59	566.74
Add: (Short)/ excess provision of tax for prior years	(6.09)	(2.98)
	4,396.83	3,520.33
Securities Premium	1,835.13	1,835.13
Total	6,231.96	5,355.46
NOTE 5 :- LONG TERM BORROWINGS		
From Financial Institutions		
Secured	13.42	266.79
Unsecured	188.26	
Total	201.68	266.79

ICICI Bank - Car Loan:
1.Secured against 2 Maruti Suzuki Ertiga. Payable in 60 equal monthly installments of INR 43,806/-

PARTICULARS	As at 31st March, 2024 Amount In Lakhs	As at 31st March, 2023 Amount In Lakhs
NOTE 6 :- DEFERRED TAX LIABILITIES (Net)		
Tax effect of items constituting deferred tax asset		
On account of timing difference	59.92	62.50
Total	59.92	62.50
NOTE 7 :- OTHER LONG TERM LIABILITIES		
Security Deposit	1.00	1.00
Total	1.00	1.00
NOTE 8 :- LONG TERM PROVISIONS		
Provision for Employee Benefit	62.08	50.54
Total	62.08	50.54
NOTE 9 :- SHORT TERM BORROWINGS		
Bank overdraft / Cash Credit	3.27	1,115.47
Current maturities of long term borrowings	3.84	4.82
Total	7.12	1,120.30

Axis Bank (Cash Credit):
Secured against hypothecation of current assets of the company, equitable mortgage on commercial property of office nos. 1201 and 1202, 12th Floor, B Wing, Great Eastern Summit, Plot No. 66, sector 15, CBD Belapur, Navi Mumbai 400614 admeasuring 2545 Sq Ft., equitable mortgage of plot of land at plot no. 16 in Goa And residential flat at Powai, Mumbai of Managing Director (Mr. V. G. Jayaprakashan).

Kotak Bank (Cash Credit):
First pari passu hypothecation charge to be shared with Axis Bank and Yes Bank on all existing and future current assets and moveable fixed assets of the borrower. First pari passu Equitable/ Registered mortgage charge to be shared with Axis Bank on immoveable properties.

Yes Bank (Cash Credit):
Secured against Fixed Deposit hold by Company.

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PARTICULARS	As at 31st March, 2024 Amount In Lakhs	As at 31st March, 2023 Amount In Lakhs
NOTE 10 :- SHORT TERM PROVISIONS		
Provision for Employee Benefit	11.04	5.46
Total	11.04	5.46
NOTE 11 :- OTHER CURRENT LIABILITIES		
Statutory liabilities	287.95	10.05
Sundry Creditors for Expenses	692.77	259.36
Advance from Debtors	36.07	0.83
Total	1,016.78	270.25

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NOTE 12 :- PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Amount In Lakhs

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance at 1st April, 2023	Additions	Deduction	Balance at 31st March, 2024	Balance at 1st April, 2023	Depreciation / amortisation expense for the year	Eliminated on disposal of assets/ adjustments	Balance at 31st March, 2024	Balance at 31st March, 2024	Balance at 31st March, 2023
Property , Plant & Equipment										
Land	302.06	8.15		310.21	-	-	-	-	310.21	302.06
Building	597.23	1.50		598.73	186.13	20.51		206.63	392.10	411.11
Plant & Machinery	435.45	-		435.45	211.32	38.06		249.37	186.08	224.13
Electrical Installation	10.37	-		10.37	9.65	0.07		9.73	0.65	0.72
Office Equipments	33.07	0.67		33.74	29.06	0.66	(0.16)	29.57	4.17	4.01
Furniture & Fixture	154.37	-		154.37	137.06	3.04	-	140.09	14.27	17.31
Air Conditoner	19.80	0.25		20.05	16.68	0.91		17.59	2.46	3.12
Computer	135.74	2.14		135.88	128.05	1.88		129.93	5.95	5.70
Vehicle	285.54		-	285.54	183.11	30.74		213.85	71.69	102.43
				-						
Total A	1,971.64	12.71	-	1,984.35	901.05	95.87	(0.16)	996.76	987.59	1,070.59
Intangible assets										
Technical Knowhow	5.15	-	-	5.15	-	-	-	-	5.15	5.15
Goodwill on consolidation	233.22	0.09		233.32	-	-	-	-	233.32	233.32
						-				
Total B	238.38	0.09	-	238.47	-	-	-	-	238.46	238.46
Total (A+B)	2,210.02	12.80	-	2,222.82	901.05	95.87	(0.16)	996.76	1,226.05	1,309.05

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PARTICULARS	As at 31st March, 2024 Amount In Lakhs	As at 31st March, 2023 Amount In Lakhs
NOTE 13 :- NON-CURRENT INVESTMENTS		
Non trade - unquoted		
Investment in equity instruments		
Avrora (I) Marine Systems Pvt. Ltd.	53.90	53.90
Add: Share in Profit/(Loss)	2,509.81	2,290.55
Dombivli Nagri Sahakari Bank Ltd.	4.99	4.99
Krasny Corporate & Technical Services Pvt. Ltd.	-	-
Add: Share in Profit/(Loss)	-	-
Rosoboronservice India Ltd.	13.50	13.50
Add: Share in Profit/(Loss)	(13.50)	(13.50)
Krasny Paras Defence Technologies Pvt Ltd	52.25	52.25
Add: Share in Profit/(Loss)	(17.92)	(13.55)
North Canara Bank	0.99	0.99
Vimal Fire Krasny Defence Pvt Ltd	25.00	25.00
Add: Share in Profit/(Loss)	(10.05)	-
Keltron Krasny Defence Systems Pvt Ltd	-	-
Krasny Kamen LLC	-	-
Krasny Subhadra Engineers Pvt Ltd	2.50	-
Add: Share in Profit/(Loss)	(0.80)	-
SNGC Bank Ltd	1.05	1.05
Total	2,621.72	2,415.18
NOTE 14 :- OTHER NON-CURRENT ASSETS		
Unsecured, Considered Good		
Security deposits	15.92	16.23
Total	15.92	16.23

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PARTICULARS	As at 31st March, 2024 Amount In Lakhs	As at 31st March, 2023 Amount In Lakhs
NOTE 16 :- INVENTORIES		
As valued, verified and certified by management		
Stores, spares, tools and jigs	45.32	51.87
Total	45.32	51.87
NOTE 17 :- CASH AND BANK BALANCES		
Cash on hand	11.67	3.31
Balances with banks		
In current accounts	305.11	22.07
In deposit accounts	2,471.44	1,502.95
Total	2,788.22	1,528.33
NOTE 18 :- SHORT TERM LOANS AND ADVANCES		
Loans and advances to employees	31.62	27.92
Loans and advances to others	30.66	2.01
Balance with Government authorities	466.10	204.38
Prepaid expenses	-	4.76
Advance to suppliers	276.16	521.08
Total	804.54	760.15
NOTE 19 :- OTHER CURRENT ASSETS		
Unamortised expenses	9.14	15.59
Other Receivables	40.58	65.17
Unbilled revenue	2,686.06	589.41
Total	2,735.78	670.17

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Note: 15 Trade Receivables

As at 31st March, 2024

Amount In Lakhs

Particulars	Outstanding for following periods from date of Transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	595.88	23.49	26.35	-	114.51	760.23
Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - considered doubtful	-	-	-	-	-	-
Less : provision for doubtful debts	-	-	-	-	-	(102.50)
Total	595.88	23.49	26.35	-	114.51	657.73

As at 31st March, 2023

Amount In Lakhs

Particulars	Outstanding for following periods from date of Transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	427.43	1,089.60	3.53	4.04	34.21	1,558.80
Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - considered doubtful	-	-	-	-	-	-
Less : provision for doubtful debts	-	-	-	-	-	(25.90)
Total	427.43	1,089.60	3.53	4.04	34.21	1,532.90

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CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

PARTICULARS	2023-24 Amount in Lakhs	2022-23 Amount in Lakhs
NOTE 20 :- REVENUE FROM OPERATIONS		
Sale of stores, spares and services	1,865.70	3,917.49
Unbilled income	2,686.06	589.41
Total	4,551.76	4,506.90
NOTE 21 :- OTHER INCOMES		
Interest income	130.46	93.92
Rent Income	3.69	4.69
Miscellaneous income	4.42	1.50
Profit on sale of fixed assets	-	0.24
Dividend Income	40.28	0.07
Total	178.85	100.42
NOTE 22 :- COST OF STORES, SPARES AND TOOLS CONSUMED		
Opening stock	51.87	89.89
Add: purchases	341.47	2,045.16
Less: closing stock	45.32	51.87
	-	-
Total	348.03	2,083.17
NOTE 23 :- OPERATING EXPENSES		
Transport, clearing and forwarding Expenses	22.19	12.05
Dock, refit and other operating expenses	1,753.53	855.84
Liquidated damages	15.17	25.98
Total	1,790.89	893.86
NOTE 24 :- EMPLOYEE BENEFIT EXPENSES		
Directors remuneration	114.00	114.00
Salary, wages, bonus and allowances	691.28	522.88
Contribution to provident fund, ESIC and other funds	31.71	29.83
Employee welfare and other amenities	33.57	22.98
Total	870.56	689.69

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PARTICULARS	2023-24 Amount In Lakhs	2022-23 Amount In Lakhs
NOTE 25 :- FINANCE COSTS		
Interest expense on		
Borrowings from Banks	6.83	30.21
Bank charges & processing fees	45.37	8.30
Total	52.20	38.51
NOTE 26 :- OTHER EXPENSES		
Power and fuel	10.85	8.68
Advertisement expenses	6.86	0.52
Rent, Rates and Taxes	23.77	23.03
Repairs & Maintainance	14.19	41.12
Postage & Courier Charges	2.80	1.97
Printing & Stationery	4.41	3.30
Legal & Professional charges	80.05	46.86
Telephone & Internet Expenses	4.62	3.99
Business promotion expenses	24.86	21.25
Auditors' Remuneration (Note no. 35)	7.95	6.75
Insurance	14.92	8.48
Security charges	3.06	2.64
Travelling & Conveyance	321.05	32.20
Fines & Penalties	0.20	1.46
Donation	8.89	15.22
CSR Expenses (Note no. 34)	13.50	7.93
Foreign Exchange Fluctuation loss	0.13	20.30
Bad Debts W/ off	3.14	12.61
Membership and Subscription	2.85	1.73
Miscelleneous Expenses	82.76	40.20
Statmp duty & registration charges	24.94	-
Total	655.81	303.23

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Note : 27 Related party transactions

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

27.1 Relationships during the year

(A) Key Managerial Personnel & their relatives

Naveen jayaprakasan
V G Jayprakasan
Sarala Jayprakasan
Sajeev V. Menon

Shivani Singh *

* Appointed Shaivani Singh as a Comapany Secratery as on dated 26/09/2023.

(B) Associate Companies

Krasny Paras Defence Techologies Private Limited
Vimal Fire Krasny Defence Pvt Ltd
Krasny Subhadra Engineers Pvt Ltd
Avrora(I)Systems P.ltd

(C) Subsidiary Companies

Krasny Kamen LLC
Keltron Krasny Defence Systems Pvt Ltd
Krasny Corporate & Technical Service Pvt Ltd.

27.2 Related party transactions during the year

Particulars	2023-24	2022-23
	Amount In Lakhs	Amount In Lakhs
(A) Transactions with related parties during the year :		
Naveen jayaprakasan - salary	12.00	12.00
V G Jayprakasan - Salary	90.00	90.00
Sarala Jayprakasan - Salary	12.00	12.00
Sajeev V. Menon- Salary	7.77	7.14
Mathew Lathra -Salary	39.98	3.25
Shivani Singh- Salary	3.11	-
Krasny Paras Defence Techologies Private Limited - Investment	-	52.50
Vimal Fire Krasny Paras Defence - Investment	-	25.00
Keltron Krasny Defence Systems Pvt Ltd - Investment	5.10	-
Krasny Kamen LLC- Investment	10.09	-
Krasny Subhadra Engineers Pvt Ltd - Investment	2.50	-
Krasny Paras Defence Techologies Private Limited - Sales (Net of GST)	-	77.70
Krasny Paras Defence Techologies Private Limited - Rent (Net of GST)	1.80	4.05
Krasny Paras Defence Techologies Private Limited - Loan	28.65	-
Krasny Kamen LLC- Works Contract Service Availed	18.70	-
Mathew Lathra- Travelling Expenses	1.15	-
(B) Balances outstanding at the end of the year receivable / (Payable)		
Naveen Jayaprakasan - Remuneration Payable	(0.88)	(3.54)
Sarala jayaprakasan-Remuneration payable	(0.04)	(11.64)
V G jayapraksan-Remuneration Payable	(9.07)	-
Krasany Corporate & Technical Pvt Ltd	51.59	51.51
Krasny Paras Defence Techologies Private Limited - Trade Receivable	18.07	16.48
Krasny Paras Defence Techologies Private Limited - Loan	28.65	-
Sajeev V. Menon- Salary	0.63	0.58
Mathew Lathra -Salary	2.50	3.25
Shivani Singh- Salary	0.45	-
Mathew Lathra	(1.15)	-

Note : 28 Earnings Per Share

A) Basic Earning Per Share

Particulars	As at 31st March, 2024	As at 31st March, 2023
Net profit after tax as per statement of profit and loss (Amount in Lakhs)	675.84	373.77
Weighted average number of equity shares outstanding during the year	1,15,15,267.00	1,12,38,344.63
Nominal value per equity share	10.00	10.00
Basic earnings per share (Absolute Figures)	**5.87**	3.33

B) Diluted Earning Per Share

Particulars	As at 31st March, 2024	As at 31st March, 2023
Net profit after tax as per statement of profit and loss (Amount in Lakhs)	675.84	373.77
Weighted average number of equity shares outstanding (Including diluted preference share) outstanding at the end of the end of period **	2,57,89,857.16	1,12,38,344.63
Nominal value per equity share	10.00	10.00
Diluted earnings per share (Absolute Figures)	**2.62**	3.33

** **Preference share issued during the Financial Year 2023-2024**

Note : 29 The management is currently in the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of medium and small enterprises, as defined under Micro. Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such micro, medium and small enterprises as at 31 March 2024 has not been made in the financial statements.

Note 30 Defined Benefit Plans

Gratuity

Gratuity shall be payable to an employee on termination of employment due to superannuation, retirement, resignation, death or permanent disablement after successful completion of the vesting period, if applicable. However, the completion of vesting period is not applicable in the case where termination of employment is due to death or permanent disablement.

A. Change in Defined Benefit Obligation:

Amount In Lakhs

Particulars	As at 31st March, 2024	As at 31st March, 2023
Defined Benefit Obligation	73.12	55.99
Funding status	Unfunded	Unfunded
Fund Balance	N.A.	N.A.
Current Liability	11.04	5.46
Non Current Liability	62.08	50.54

B. Valuation Assumption :

Date of Valuation	As at 31st March, 2024	As at 31st March, 2023
i) Demographic Assumption		
Mortality Rate	Indian Assured Lives Mortality 2012-14(Urban)	Indian Assured Lives Mortality 2012-14(Urban)
Retirement Age	60 Years	60 Years
Attrition Rate	2% p.a. for all service groups	2% p.a. for all service groups
ii) Financial Assumption		
Salary Escalation Rate	5.00% p.a.	5.00% p.a.
Discount Rate	7.22% p.a.	7.52% p.a.

KRASNY DEFENCE TECHNOLOGIES LTD. ESTD : 1995

KRASNY DEFENCE TECHNOLOGIES LIMITED
(Formerly known as KRASNY DEFENCE TECHNOLOGIES PRIVATE LIMITED)
CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 31: Ratios

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance	Reason
Current Ratio	Current Assets	Current Liabilities	4.10	2.16	90%	Due to higher unbilled receivables at year end 31st Mar 2024
Debt-Equity	Total debts	Shareholder's equity	0.02	0.21	90%	Due to repayment of debts
Debt-Service Coverage ratio	Earnings available for debt service [1]	Debt Service	5.10	0.46	1010%	Due to higher profits and repayment of debts
Return on equity	Net profit after taxes	Shareholder's Equity	7.09%	5.74%	23%	
Trade receivables turnover ratio	Revenue	Average trade receivable	4.16	3.90	6%	
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	NA	NA	N.A	
Net capital turnover ratio	Revenue (3)	Working capital [2]	1.42	2.78	-49%	Due to issue of preference shares
Net profit ratio	Net profit	Revenue	14.29%	8.11%	76%	Due to higher operating margins
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	29%	47%	-38%	Due to issue of preference shares
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	-	-	N.A	
Return on investment (ROI)	Income generated from investments	Time weighted average investments	-	-	N.A	

Explanations

(1) Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

(2) Working capital is taken excluding cash and cash equivalents.

(3) Revenue is taken as Sales + other income

Note: 32 **Contingent Liabilities:**

Amount In Lakhs

Particular	As at 31st March, 2024	As at 31st March, 2023
Service Tax	-	
a) Order for Service Tax demand pertaning to F.Y. 2015-16	117.13	117.13
b) Order for Service Tax demand pertaning to F.Y. 2016-17	0.54	0.54
c) Order for Service Tax demand pertaning to Period April 17 to June 17 F.Y. 2016-17	13.72	13.72

Note: 33 Company has registered all charges with Registrar of Companies.

Note: 34 CSR Expenditure

As per Section 135 of the Companies Act, 2013, Total Expenditure incurred on CSR is 13,50,000 and details are mentioned in table.

Amount In Lakhs

Particular	As at 31st March, 2024
Amount require to be spent by company during the year	12.33
Amount of expenditure incurred,	13.50
Shortfall at the end of the year	-

Note : 35 Auditor's Remuneration:

Particulars	FY 2023-24	FY 2022-23
Statutory Audit Fees	5.45	4.75
Tax Audit Fees	2.50	2.00
Other Matter	6.65	2.75

Note 36 **Other Statutory Information**

i) The Company do not have any transactions with companies struck off.

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

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

iv) 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.

v) The Company have no such transaction which is not recorded in the books of accounts 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).

vi) The company has not received any notice relating to proceeding for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)

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

viii) The Company has duly submitted the required information with the bank on regular basis and there is no material discrepancies with the Books of Accounts.

Note : 37 Figures of previous year are regrouped, rearranged and reclassified wherever necessary to correspond to figures of the current year.

As per our report of even date
For D. Kothary & Co.
Chartered Accountants
Firm Registration No. 105335W

Mehul Navin Patel — Digitally signed by Mehul Navin Patel

Mehul N. Patel
Partner
Membership No: 132650

Place : Mumbai
Date :

For and on behalf of the Board of Directors

V. G. Jayaprakasan
Managing Director
DIN : 00837992

Naveen Jayaprakasan
Director
DIN : 00837932

SHIVANI SINGH Digitally signed by SHIVANI SINGH

Shivani Singh
Company Secretary
Membership No:A659.

Sajeev V. Menon
Chief Financial Officer

Place: Mumbai
Date