

**2nd CORRIGENDUM / ADDENDUM TO THE NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

An Extraordinary General Meeting (“EGM”) of the Shareholders of Krishna Defence and Allied Industries Limited is being convened on Monday, January 30, 2023, at 11:00 a.m. IST through Video Conferencing/ Other Audio-Visual Means (VC/OAVM). The Notice of EGM dated 03.01.2023 and Corrigendum Notice 1 to the Notice of EGM dated 11.01.2023 (herein after collectively referred to as “EGM Notice”) was dispatched to the Shareholders of the Company on January 04, 2023, and January 11, 2023, respectively, in due compliance with the provisions of the Companies Act, 2013, and rules made thereunder, read with circulars issued by the Ministry of Corporate Affairs and Securities Exchange Board of India, respectively.

Subsequent to the aforesaid Corrigendum Notice No.1, the Company has been advised by the NSE Limited (“NSE”) to determine the fair value of its equity shares by a registered valuer. Accordingly, the Company has appointed M/s R&A Valuation LLP, an Independent Registered Valuer having registration number IBBI/RV-E/13/2020/128 issued by the Insolvency & Bankruptcy Board of India (“Valuer”). The said Valuer has arrived at the fair value of Company’s fully paid up equity shares of the face value of INR 10/- each at INR 137.78 per share by using various methods. The copy of the Valuation Report issued and signed by Mr. Abhinav Rajvanshi (on behalf of M/s R&A Valuation LLP), Registered Valuer, having Registration Number: IBBI/RV/06/2019/11765 is hosted on Company’s website at <https://krishnaallied.com/wp-content/uploads/2023/01/Valuation-Report.pdf>

The above valuation report has been considered and adopted by the Audit Committee as well as Board of Directors in their respective meetings held on 24.01.2023. The Board of Directors formed an opinion that as such the issue price of INR 140.00 as fixed by the Board in their meeting held on January 03, 2023 is above the aforesaid fair value arrived at by the registered valuer, there is no need to change/alter the issue price of proposed convertible warrants. Accordingly, the Board of Directors decided to continue with the issue price of INR 140.00 per convertible warrant and further decided to issue this 2nd corrigendum notice to all the shareholders of the Company

The Members of the Company are requested to take note of the following corrections in point '3' of Item No. 2 in the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013”:

3. Basis on which the price of the Preferential Issue has been arrived at:-

The Equity Shares of the Company are listed on NSE Limited (“NSE”) (referred to as “Stock Exchange”). Pursuant to Regulation 164(5) “frequently traded shares” means the shares of the issuer, in which the traded turnover on any recognized stock exchange during the 240 trading days preceding the relevant date, is at least ten percent of the total number of shares of such class of shares of the issuer. The company got listed on April 06, 2022 and as on the relevant date the company was listed for 175 trading days.

However, the company is meeting the criteria of having traded turnover of at least ten percent of the total number of shares of such class of shares of the issuer calculated as on relevant date. Hence, the company’s shares are classified as frequently traded shares.

The Equity Shares of the Company are frequently traded within the meaning of explanation provided in Regulation 164(5) of Chapter V of the SEBI (ICDR) Regulations, 2018. In terms of Regulation 164 of Chapter V of SEBI (ICDR) Regulations, 2018, the minimum price at which equity shares shall be issued pursuant to the conversion of warrants shall not be less than higher of the following:

- (a) Rs. 120.30/- each the 90 trading days volume weighted average price of the related equity shares of the Company quoted on the recognized Stock Exchange preceding the Relevant Date; or



- (b) Rs. 138.48/- each- the 10 trading days volume weighted average price of the related equity shares of the Company quoted on the recognized Stock Exchange preceding the Relevant Date.

The Company has also taken a Valuation Report using all the methods of valuation to arrive at the fair value of shares, from the M/s R&A Valuation LLP, in this regard and the same is available on the website of the Company at <https://krishnaallied.com/wp-content/uploads/2023/01/Valuation-Report.pdf> The fair value of price per equity share as per the valuation report is Rs.137.78, the synopsis of which is as follows:-

| KRISHNA DEFENCE AND ALLIED INDUSTRIES LIMITED | | | | |
|--|-------------------------|----------------|-----------------------------------|-----------------------------------|
| Calculation of Fair Value of Equity Shares | | | | |
| Average of Methods | | | | |
| Based on Assumptions & Calculations | | | | |
| Method Applied | Applied/ Not Applied | Weightage | Average Value per Equity Share | Average Value per Equity Share |
| Cost/Asset Approach | | | | |
| Net Asset Value (NAV) | Applied | 15% | 24.99 | 4.32 |
| Market Value Approach | | | | |
| VWAP of 10 Days (As per NSE Emerge KRISHNADEF-SM) | Applied | 50% | 138.48 | 69.24 |
| Income Approach* | | | | |
| Discounted Cash Flow (DCF) Method | Applied | 35% | 183.49 | 64.22 |
| Value per share | | 100.00% | | 137.78 |

The Board of Directors formed an opinion that as such the issue price of INR 140.00 as fixed by the Board is above the aforesaid fair value arrived at by the registered valuer, there is no need to change/alter the issue price of proposed convertible warrants.

Accordingly, The Issue Price, in terms of the provisions of Chapter V of the SEBI (ICDR) Regulations, is fixed at INR 140.00 per Convertible Warrant after taking into consideration the above minimum price criteria as well as the Valuation Report of an Independent Registered Valuer.

Thus, there is no material change in the EGM Notice. This Corrigendum / Addendum should be read in continuation of and in conjunction with the Notice of the EGM and Corrigendum / Addendum 1 to the Notice of the EGM.

This Corrigendum / Addendum shall also be available at the website of the Company and on the website of NSE Limited where the shares of the Company are listed.

For Krishna Defence and Allied Industries Limited

Sd/-
Charmy Shah
Company Secretary & Compliance Officer
M.No. A63905

Place: - Vadodara,
Date: - January 24, 2023