



PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

Registered & Corporate Office :

D-112, TTC Indl. Area, Nerul, Navi Mumbai - 400 706, India | Tel : +91-22-6919 9999 | Fax : +91-22-6919 9990
CIN : L29253MH2009PLC193352 | E-mail : business@parasdefence.com | Web : www.parasdefence.com

August 29, 2024

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort, Mumbai - 400 001
Script Code: 543367

National Stock Exchange of India Limited

Exchange Plaza, Plot C/1, G Block,
Bandra - Kurla Complex,
Bandra - (East), Mumbai - 400 051
Trading Symbol: PARAS

Dear Sir/Madam,

Sub: Notice of 15th Annual General Meeting of Paras Defence and Space Technologies Limited ("the Company") and Annual Report for Financial Year 2023-24

This is further to our intimation dated August 27, 2024 wherein the Company had informed that the 15th Annual General Meeting ("AGM") of the Company is scheduled to be held on Friday, September 20, 2024 at 12:30 p.m. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") in accordance with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).

In terms of requirements of Regulation 34(1) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the Financial Year 2023-24 including Notice of 15th AGM, which is being sent through electronic mode to the Members of the Company.

The Notice of the AGM and Annual Report for Financial Year 2023-24 is also made available on the website of the Company at <https://www.parasdefence.com/investors/>.

We request you to kindly take the same on record.

Thanking you,

For Paras Defence and Space Technologies Limited

Jajvalya Raghavan

Company Secretary and Compliance Officer
Membership No.: F11942

Encl.: as above

Notice of 15th Annual General Meeting

Notice of 15th Annual General Meeting

NOTICE is hereby given that the 15th (Fifteenth) Annual General Meeting of the Members of **Paras Defence and Space Technologies Limited** will be held on Friday, September 20, 2024 at 12:30 p.m. (IST) through Video Conferencing (“VC”) or Other Audio-Visual means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

1. ADOPTION OF ANNUAL AUDITED FINANCIAL STATEMENTS

- (a) To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2024 together with the Reports of the Board of Directors and the Auditors thereon;
- (b) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024 together with the Reports of Auditors thereon;

2. RE-APPOINTMENT OF DIRECTOR WHO RETIRES BY ROTATION

To re-appoint Mr. Munjal Sharad Shah (DIN: 01080863), who retires by rotation, and being eligible, has offered himself for reappointment.

SPECIAL BUSINESS

3. RATIFICATION OF REMUNERATION OF COST AUDITORS

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. Dinesh Jain & Co., Cost Accountants having Firm Registration Number (FRN) 100583, amounting to ₹. 1,00,000/- (Rupees One Lakh Only) per annum plus taxes as applicable and reimbursement of out-of-pocket expenses that may be incurred, to conduct the cost audit for the FY 2024-25, as recommended by the Audit Committee and approved by the Board of Directors as Cost Auditors of the Company, be and is hereby ratified.

RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company be and are hereby jointly / severally authorized to sign such forms/returns as may be required to be submitted to the Registrar of Companies or such other authorities as may be required and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution.”

4. APPROVAL FOR AUTHORIZATION TO BOARD OF DIRECTORS OF THE COMPANY TO ADVANCE ANY LOAN, GIVE ANY GUARANTEE OR TO PROVIDE ANY SECURITY TO ALL SUCH PERSON SPECIFIED UNDER SECTION 185 OF THE COMPANIES ACT, 2013 UPTO AN AGGREGATE LIMIT OF ₹ 60,00,00,000/- (RUPEES SIXTY CRORES ONLY)

To consider and, if thought fit, to give assent or dissent to the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession to all the earlier resolutions passed in this regard and pursuant to Section 185 read with Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof and in accordance with Memorandum and Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise required, any duly constituted Committee thereof or any Director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to advance any loan(s) in one or more tranches including any loan represented by a book debt, and/or to give any guarantee(s) and/or to provide any security(ies) in connection with any Loan taken/to be taken/availed/to be availed from financial institutions / banks / insurance companies / other investing agencies or any other person(s) / bodies corporate by any entity which is a Subsidiary/ Associate/Joint Venture of the Company or such other entity/person as specified under Section 185 of the Companies Act, 2013 and more specifically to such other entity/person as the Board in its discretion deems fit and beneficial and in the best interest of the Company (hereinafter commonly known as the Entities); all together with in whom or in which any of the Director of the Company from time to time is interested or deemed to be interested, provided that the aggregate limit of advancing loan and/or giving guarantee and/or providing any security to the Entities shall not at any time exceed the aggregate limit of ₹ 60,00,00,000/- (Rupees Sixty Crores Only) at any point in time, in its discretion deem beneficial and in the best interest of the Company without being required to seek further consent or approval of the Members or otherwise.

RESOLVED FURTHER THAT the aforementioned loan(s) and/or guarantee(s) and/or security(ies) shall only be utilized by the borrower for the purpose of its principal business activities.

RESOLVED FURTHER THAT the powers be and is hereby delegated to the Board/ any duly constituted Committee thereof of the Company and is hereby authorized to approve, decide, negotiate, agree the terms and conditions for the aforesaid loan / guarantee / security and to do all such acts,

deeds, matters and things as they may, in their discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company be and are hereby jointly / severally authorized to sign such forms/returns as may be required to be submitted to the Registrar of Companies or such other authorities as may be required and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution.”

5. APPROVAL FOR EXTENSION OF LIMITS TO GIVE LOAN(S)/ PROVIDE GUARANTEE(S) OR SECURITY(IES)/ MAKE INVESTMENT(S) UNDER SECTION 186 OF THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession to all the earlier resolutions passed in this regard and pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable Rules, if any (including any statutory modification(s) or re-enactment thereof for the time being in force) and, in accordance with the Memorandum and Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise required, any duly constituted Committee thereof or any Director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate whether Indian or overseas, from time to time, in one or more tranches as the Board in their absolute discretion deem beneficial and in the interest of the Company, however, that the aggregate amount of the loans given/ guarantees or securities provided / investments so far made, along with the loans/ guarantees / securities/ investments proposed to be made by the Company from time to time, shall not exceed upto an amount of ₹ 5,00,00,00,000/- (Rupees Five Hundred Crores Only) outstanding at any point of time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take from time to time all decisions and steps in respect of the above loans/ guarantees/ securities/ investments including the timing, amount and other terms and conditions of such loans/ guarantees/ securities/ investments and varying the same either in part or in full as it may deem appropriate and to execute such documents, deeds, writings, papers and/ or agreements as may be required to do and perform all such acts, deeds, matters and things as may be necessary, proper or desirable and to settle any question, difficulty or doubt that

may arise in this regard including power to sub-delegate in order to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company be and are hereby jointly / severally authorized to sign such forms/returns as may be required to be submitted to the Registrar of Companies or such other authorities as may be required and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution.”

6. APPROVAL OF MATERIAL RELATED PARTY TRANSACTION(S) WITH CONTROP-PARAS TECHNOLOGIES PRIVATE LIMITED (“ASSOCIATE COMPANY”)

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the Regulation 23 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI Listing Regulations”) and the applicable provisions of the Companies Act, 2013 (“the Act”), if any, read with relevant Rules made thereunder, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) and, in accordance with the Memorandum and Articles of Association of the Company and as per the Company’s Policy on Materiality of Related Party Transactions and, on the basis of approval and recommendation of the Audit Committee and Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise required, any duly constituted Committee thereof or any Director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution), consent of the Members of the Company be and is hereby accorded to the Board to enter into and/or execute any contract(s)/ arrangement(s)/transaction(s), whether by way of individual or multiple transaction(s) taken together, between the Company and Controp-Paras Technologies Private Limited (hereinafter referred to as “the Associate Company” under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations) for a period from date of this Annual General Meeting till the date of next Annual General Meeting, for an aggregate amount upto ₹ 2,93,00,00,000 (Rupees Two Hundred and Ninety Three Crores Only), in the ordinary course of business of the Company and at arm’s length basis on such terms and conditions as detailed in the explanatory statement to this resolution pursuant to Section 102 and other applicable provisions of the Act read with relevant Rules and on such terms and conditions as may be mutually agreed between the Company and the Associate Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other document(s), file application(s) and make representation(s) in respect thereof

and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer or any other Officer(s) as Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company be and are hereby jointly / severally authorized to sign such forms/returns as may be required to be submitted to the Registrar of Companies or such other authorities as may be required and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution.”

7. REMUNERATION OF MR. AMIT NAVIN MAHAJAN, A RELATED PARTY, HOLDING AN OFFICE OR PLACE OF PROFIT IN THE COMPANY

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 188(1) (f) of the Companies Act, 2013 (“the Act”) read with explanation and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Act made thereunder, if any, and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and applicable clauses of Articles of Association of the Company, and subject to compliances of all applicable laws and regulations, and as per the recommendation of the Nomination and Remuneration Committee and Audit Committee, and approval of Board of Directors in their meetings held on August 27, 2024, approval of the members be and is hereby accorded to increase the limit of remuneration payable to Mr. Amit Navin Mahajan, Director - Technical and Research & Development of the Company, a ‘Related Party’ as defined under Section 2(76) of the Act and SEBI Listing Regulations and an officer holding office or place of profit in the Company, in the pay scale of ₹ 4,00,000/- per month to ₹ 6,00,000/- per month (including, but not limited to all basic, additional, fixed and variable remunerations, bonus, commissions, incentives, allowances, benefits, perquisites, amenities and conveniences etc. as per the policy of the Company) with effect from September 20, 2024.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee/ Audit Committee/ Board of Directors of the Company has the liberty to alter and vary such remuneration in accordance with the provisions of the Act, to effect change in designation and responsibilities of Mr. Amit Navin Mahajan, within the maximum limit approved by the Members.

RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company be and are hereby jointly / severally authorized to sign such forms/returns as may be required to be submitted to the Registrar of Companies or such other authorities as may be required and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution.”

8. REMUNERATION OF MR. ANISH HEMANT MEHTA, A RELATED PARTY, HOLDING AN OFFICE OR PLACE OF PROFIT IN THE COMPANY

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 188(1) (f) of the Companies Act, 2013 (“the Act”) read with explanation and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Act made thereunder, if any, and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and applicable clauses of Articles of Association of the Company, and subject to compliances of all applicable laws and regulations, and as per the recommendation of the Nomination and Remuneration Committee and Audit Committee, and approval of Board of Directors in their meetings held on August 27, 2024, approval of the members be and is hereby accorded to increase the limit of remuneration payable to Mr. Anish Hemant Mehta, Director – Business Development of the Company, a ‘Related Party’ as defined under SEBI Listing Regulations and an officer holding office or place of profit in the Company, in the pay scale of ₹ 4,00,000/- per month to ₹ 6,00,000/- per month (including, but not limited to all basic, additional, fixed and variable remunerations, bonus, commissions, incentives, allowances, benefits, perquisites, amenities and conveniences etc. as per the policy of the Company) with effect from September 20, 2024.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee/ Audit Committee/ Board of Directors of the Company has the liberty to alter and vary such remuneration in accordance with the provisions of the Act, to effect change in designation and responsibilities of Mr. Anish Hemant Mehta, within the maximum limit approved by the Members.

RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company be and are hereby jointly / severally authorized to sign such forms/returns as may be required to be submitted to the Registrar of Companies or such other authorities as may be required and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution.”

9. REMUNERATION OF MR. HARSH DHIRENDRA BHANSALI, CHIEF FINANCIAL OFFICER AND A RELATED PARTY, HOLDING AN OFFICE OR PLACE OF PROFIT IN THE COMPANY

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 188(1)(f) of the Companies Act, 2013 (“the Act”) read with explanation and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Act made thereunder, if any, and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and applicable clauses of Articles of Association of the Company and subject to compliances of all applicable laws and regulations, and as per the recommendation of the Nomination and Remuneration Committee and Audit Committee and approval of Board of Directors in their meetings held on August 27, 2024, approval of the members be and is hereby accorded to increase the limit of remuneration payable to Mr. Harsh Dhirendra Bhansali, Chief Financial Officer of the Company, a ‘Related Party’ as defined under Section 2(76) of the Act and SEBI Listing Regulations and an officer holding office or place of profit in the Company, in the pay scale of ₹ 4,00,000/- per month to ₹ 6,00,000/- per month (including, but not limited to all basic, additional, fixed and variable remunerations, bonus, commissions, incentives, allowances, benefits, perquisites, amenities and conveniences etc. as per the policy of the Company) with effect from September 20, 2024.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee/ Audit Committee/ Board of Directors of the Company has the liberty to alter and vary such remuneration in accordance with the provisions of the Act, to effect change in designation and responsibilities of Mr. Harsh Dhirendra Bhansali, within the maximum limit approved by the Members.

RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company be and are hereby jointly / severally authorized to sign such forms/returns as may be required to be submitted to the Registrar of Companies or such other authorities as may be required and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution.”

10. TO RAISE CAPITAL BY WAY OF A QUALIFIED INSTITUTION PLACEMENT (“QIP”) TO ELIGIBLE INVESTORS THROUGH ISSUANCE OF EQUITY SHARES AND/OR OTHER ELIGIBLE SECURITIES

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 23, 42, 62(1)(c), 71 and other applicable provisions, if any, of the Companies Act, 2013, and the applicable rules made thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital

and Debentures) Rules, 2014, (including any amendment(s), statutory modification(s) or re-enactment thereof, for the time being in force) (“the Act”), and the enabling provisions of the Memorandum of Association and the Articles of Association of the Company and in accordance with the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), to the extent applicable, the uniform listing agreement(s) entered into by the Company with the BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE” and together with BSE, the “Stock Exchanges”) where the equity shares, having face value of ₹ 10/- (Rupee Ten Only), of the Company (“Equity Shares”) are listed, the provisions of the Foreign Exchange Management Act, 1999 including any amendments, statutory modification(s) and/or re-enactment thereof (“FEMA”) and rules and regulations made thereunder, including the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, the current Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce, Government of India, each as amended, and any other provisions of applicable laws (including all other applicable statutes, clarifications, rules, regulations, circulars, notifications, and guidelines issued by the Government of India (“GoI”), Ministry of Corporate Affairs (“MCA”), Reserve Bank of India (“RBI”), the Securities and Exchange Board of India (“SEBI”), the Stock Exchanges and any other competent authority) (hereinafter singly or collectively referred to as “Appropriate Authorities”) and subject to such approvals, permissions, consents and sanctions as may be necessary or required from the lenders of the Company, SEBI, the Stock Exchanges, RBI, GoI and any other concerned statutory/regulatory authorities and subject to such terms and conditions or modifications as may be prescribed or imposed by the Appropriate Authorities while granting of such approvals, permissions, consents and/ or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof, constituted by the Board to exercise the powers conferred by this resolution), the approval of the Members be and is hereby accorded to create, offer, issue and allot such number of eligible securities including equity shares of face value of ₹ 10/- (Rupees Ten Only), non-convertible debt instruments along with warrants and convertible securities other than warrants, (hereinafter referred to as “Eligible Securities” within the meaning rendered to such term under Regulation 171(a) of the SEBI ICDR Regulations) for cash, in one or more tranches by way of a Qualified Institutions Placement (“QIP”), through issue of preliminary placement document, placement document/ or other requisite offer document to Qualified Institutional Buyers (“QIBs”) in accordance with Chapter VI of the SEBI ICDR Regulations, whether they be holders of the Securities of the Company or not (the “Investors”) as may be permitted under applicable laws and regulations, of an aggregate amount not exceeding ₹ 2,00,00,00,000 /-(Rupees Two Hundred Crores Only) or equivalent amount thereof,

(inclusive of such discount or premium to market price or prices permitted under applicable law), on such other terms and conditions as may be mentioned in the offer document and/or placement document and/or private placement offer letter (along with the application form) and/ or such other documents/ writings/ circulars/ memoranda to be issued by the Company in respect of the proposed issue, as permitted under applicable laws and regulations, in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion may deem fit and appropriate and without requiring any further approval or consent from the Members, considering the prevailing market conditions and/ or other relevant factors, and wherever necessary, in consultation with the book running lead managers and/ or other advisors appointed by the Company and the terms of the issuance as may be permitted by SEBI, the Stock Exchanges, RBI, MCA, GOI, ROC, or any other concerned governmental/statutory/ regulatory authority in India or abroad, together with any amendments and modifications thereto (the “**Issue**”).

RESOLVED FURTHER THAT the issue and allotment of Eligible Securities is by way of QIP in terms of Chapter VI of the SEBI ICDR Regulations:

- a) The allotment of Eligible Securities shall be made to Qualified Institutional Buyers as defined in the SEBI ICDR Regulations (“**QIB’s**”);
- b) The Eligible Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and other applicable laws;
- c) The number and/ or price of the Eligible Securities or the underlying Equity Shares to be issued on conversion of Eligible Securities shall be appropriately adjusted for corporate actions such as bonus issues, rights issues, stock split, merger, demerger, transfer of undertaking, sale of division, reclassification of equity shares into other securities, issue of equity shares by way of capitalization of profits or reserves or any such capital or corporate reorganisation or restructuring;
- d) The Eligible Securities under the QIP shall be issued and allotted in dematerialised form;
- e) In the event the Equity Shares are issued, the “relevant date” for the purpose of pricing of the Equity Shares, shall be the date of the Meeting in which the Board or the Committee authorized by the Board decides to open the QIP issue of such Equity Shares, subsequent to receipt of members’ approval in terms of the provisions of the Companies Act, 2013 and other applicable Laws, Rules, Regulations and Guidelines in relation thereto;
- f) The Equity Shares issued and allotted under the Issue or allotted upon conversion of the equity-linked instruments issued in QIP shall rank pari passu in all respects including entitlement to dividend, voting rights or otherwise with the existing Equity Shares of the Company;
- g) In the event that Eligible Securities that are issued are eligible convertible securities, the relevant date for the purpose of pricing of the convertible securities, shall be either the date of the meeting at which the Board or a committee authorized by the Board decides to open the proposed issue or the date on which the holders of such eligible convertible securities become entitled to apply for Equity Shares;
- h) The tenure of the convertible or exchangeable Eligible Securities issued through the QIP shall not exceed sixty months from the date of allotment;
- i) Issue of Eligible Securities made by way of a QIP shall be at such price which is not less than the price determined in accordance with Regulation 176(1) under Chapter VI of the SEBI ICDR Regulations (“**QIP Floor Price**”) and applicable law. The Board may, however, at its absolute discretion in consultation with the book-running lead managers, issue Eligible Securities at a discount of not more than five percent (5%) or such other discount as may be permitted under applicable regulations to the QIP Floor Price;
- j) No single allottee shall be allotted more than fifty per cent (50%) of the issue size and the minimum number of allottees shall be as per the SEBI ICDR Regulations;
- k) No allotment shall be made, either directly or indirectly, to any QIB who is a promoter, or any person related to the promoters of the Company;
- l) Any subsequent QIP shall not be undertaken until the expiry of two weeks from the date of the prior QIP made pursuant to this special resolution

RESOLVED FURTHER THAT since the Issue size exceeds more than ₹ 1,00,00,00,000/- (Rupees Hundred Crores Only), a SEBI registered external credit rating agency will be appointed by the Board as the Monitoring Agency to monitor the use of proceeds in terms of Regulation 173A of Chapter VI of SEBI ICDR Regulations.

RESOLVED FURTHER THAT in accordance with Regulation 179 of the SEBI ICDR Regulations, a minimum of 10% of the Equity Shares shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs and that no allotment shall be made directly or indirectly to any QIB who is a promoter or any person related to promoters of the Company.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Equity Shares may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in

accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Equity Shares and the Board or a committee thereof subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Equity Shares that are not subscribed.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolution, the Equity Shares to be created, offered, issued, and allotted shall be subject to the provisions of the memorandum of associations and articles of association of the Company and any Equity Shares that may be created, offered, issued and allotted under the Issue or allotted upon conversion of the equity-linked instruments issued by the Company shall rank pari-passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the issue and allotment of Equity Shares, if any, made to NRIs, FPIs and/or other eligible foreign investors pursuant to this resolution shall be subject to the approval of the RBI under the Foreign Exchange Management Act, 1999 as may be applicable but within the overall limits as set forth thereunder.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted under the Issue or to be allotted upon conversion of any Equity Shares or as may be necessary in accordance with the terms of the Issue.

RESOLVED FURTHER THAT the Board be and is hereby accorded to open one or more bank accounts in the name of the Company, as may be required, subject to requisite approvals, if any, and to give such instructions including closure thereof as may be required and deemed appropriate by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do such acts, deeds, matters and take all steps as may be necessary including without limitation, for determining the terms and conditions of the Issue including among other things, the date of opening and closing of the Issue, the class of investors to whom the Equity Shares are to be issued, determination of the number of Eligible Securities, tranches, issue price, finalization and approval of offer document, placement document, preliminary or final, interest rate, listing, premium/discount, permitted under applicable law (now or hereafter) allotment of Equity Shares, listing of securities at Stock Exchanges and to sign and execute all deeds, documents, undertakings, agreements, papers, declarations and writings as may be required in this regard including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, the placement document or the offer document, placement agreement, escrow agreement and any other documents as may be required, approve and finalise the bid cum application form and confirmation of allocation notes, seek any consents and approvals as may be required, provide such declarations, affidavits, certificates, consents and/ or authorities as required from time to time, finalize utilisation of

the proceeds of the Issue, give instructions or directions and/or settle all questions, difficulties or doubts that may arise at any stage from time to time, and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the MCA, the book running lead manager(s), or other authorities or intermediaries involved in or concerned with the Issue and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the Members or otherwise, and that all or any of the powers conferred on the Company and the Board pursuant to this resolution may exercise to that end and intend that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and all actions taken by the Board or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorized to approve, finalise, execute, ratify, and/or amend/modify agreements and documents, including any power of attorney, agreements, contracts, memoranda, documents, etc. in connection with the appointment of any intermediaries and/or advisors (including for marketing, obtaining in-principle approvals, listing, trading and appointment of book running lead managers, underwriters, guarantors, depositories, custodians, legal counsel, bankers, trustees, stabilizing agents, advisors, registrars and all such agencies as may be involved or concerned with the Issue) and to remunerate them by way of commission, brokerage, fees, costs, charges and other expenses in connection therewith.

RESOLVED FURTHER THAT the net proceeds from the issue of the Eligible Securities would be utilised as per the objects stated in the explanatory statement.

RESOLVED FURTHER THAT the Eligible Securities shall not be eligible to be sold by the allottee(s) for a period of one year from the date of allotment, except on a recognized stock exchange, or as may be allowed under the SEBI ICDR Regulations from time to time. Furthermore, the tenure of convertible or exchangeable Eligible Securities issued shall not exceed sixty months from the date of allotment.

RESOLVED FURTHER THAT the Board shall have the authority and power to accept any modifications to the terms of the Issue, as may be required or imposed by the SEBI/Stock Exchanges or other appropriate authorities at the time of according/granting their approvals to issue, allotment and listing of the Eligible Securities and as may be agreed to by the Board.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed while granting any such approval, consents or permissions by such governmental body, authority or regulatory institution, the aforesaid Eligible Securities may have such features and attributes or any

terms or combination of terms in accordance with domestic and international practices to provide for the tradability and free transferability, as per the applicable laws and prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Eligible Securities or variation of the conversion price or period of conversion of Eligible Securities into Equity Shares during the duration of the Eligible Securities and the Board be and is hereby authorised in its absolute discretion, to dispose of such Eligible Securities that are not subscribed, in accordance with the applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board, be and is hereby authorized to take all actions and to do all such acts, deeds, matters and things, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any director(s), KMP(s), committee(s) which may be/have been constituted to exercise its powers including the powers conferred by this Resolution, executive(s), officer(s) or representatives(s) of the Company or to any other person, as may be necessary to give effect to this resolution.”

11. (A) TO APPROVE ‘PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED - EMPLOYEE STOCK OPTION PLAN 2024’ (“PARAS DEFENCE ESOP 2024”)

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 (1) (b) of the Companies Act, 2013 (“**the Act**”) and the Companies (Share Capital and Debentures) Rules, 2014 (the “**Companies SCD Rules**”) and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any modifications thereof or supplements thereto (“**the SEBI SBEB and Sweat Equity Regulations**”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**the SEBI LODR Regulations**”), the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the board of

directors of the Company (hereinafter referred to as “**the Board**”) which term shall be deemed to include the Nomination and Remuneration Committee), consent of the Members be and is hereby accorded to introduce and implement the ‘**Paras Defence and Space Technologies Limited - Employee Stock Option Plan 2024**’ (“**Paras Defence ESOP 2024**”), the salient features of which are detailed in the explanatory statement to this notice and to create, grant, offer, issue and allot at any time in one or more tranches to or for the benefit of eligible Employees and Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as “Employee(s)”) selected on the basis of criteria decided by Board under the Paras Defence ESOP 2024, such number of stock options convertible into Equity Shares of the Company (“Options”), in one or more tranches, not exceeding 7,95,000 (Seven Lakhs Ninety Five Thousand) equity shares of face value of ₹ 10/- each (Rupees Ten), at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the provision of the Paras Defence ESOP 2024 and all provisions of applicable laws.

RESOLVED FURTHER THAT the Paras Defence ESOP 2024 may also envisage provisions for making suitable arrangements for providing financial assistance to the eligible Employees to enable them to acquire, purchase or subscribe to the said securities of the Company in accordance with the provisions of the Companies Act and/or SEBI (SBEB and Sweat Equity) Regulations.

RESOLVED FURTHER THAT the new equity shares be issued and allotted directly to the eligible Employees upon exercise of Options from time to time in accordance with the Paras Defence ESOP 2024 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, merger, buy-back, scheme of arrangement and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the above ceiling shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Options granted under the Paras Defence ESOP 2024 and the exercise price of Options granted under the Paras Defence ESOP 2024 shall automatically stand augmented or reduced, as the case may be, in

the same proportion as the present face value of ₹ 10/- (Rupees Ten) per equity share bears to their revised face value of the equity shares of the Company after such subdivision or consolidation, without affecting any other rights or obligations of the Employees who have been granted Options under the Paras Defence ESOP 2024.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the Companies Act, SEBI (SBEB and Sweat Equity) Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Scheme.

RESOLVED FURTHER THAT without prejudice to the generality of the above the Board, which includes the Nomination and Remuneration Committee is authorised to formulate, evolve, decide upon and implement the Paras Defence ESOP 2024, determine the detailed terms and conditions of the aforementioned Paras Defence ESOP 2024 including but not limited to the quantum of the Options to be granted per Employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Options shall lapse and to grant such number of Options, to such Employees of the Company, at price, at such time and on such terms and conditions as set out in the Paras Defence ESOP 2024 and as the Board or the Nomination and Remuneration Committee may in its absolute discretion think fit.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be designated as the Compensation Committee in accordance with Regulation 5(1) of the SEBI (SBEB and Sweat Equity) Regulations as and when applicable to the Company for the purposes of administration of Paras Defence ESOP 2024.

RESOLVED FURTHER THAT the Board is hereby authorised to make any modifications, changes, variations, alterations or revisions in the Paras Defence ESOP 2024 as it may deem fit, from time to time or to suspend, withdraw or revive the Paras Defence ESOP 2024 from time to time, in conformity with applicable laws, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT the Board shall take necessary steps for listing of the Equity Shares allotted under the Paras Defence ESOP 2024 on the Stock Exchanges, in accordance with the provisions of the SEBI (SBEB and Sweat Equity) Regulations, the SEBI LODR Regulations and other applicable laws and regulations and the amendments thereof.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby

authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the Paras Defence ESOP 2024 at any stage including at the time of listing of the equity shares issued herein without requiring the Board 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.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committees as constituted from time to time, with power to sub-delegate to any executives/officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard.”

11. (B) TO EXTEND APPROVAL OF ‘PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED - EMPLOYEE STOCK OPTION PLAN 2024’ TO THE EMPLOYEES OF COMPANY, ITS SUBSIDIARY COMPANY (IES) AND/OR ASSOCIATE COMPANY (IES), GROUP COMPANY (IES) [PRESENT AND FUTURE]

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 Section 62 (1) (b) of the Companies Act, 2013 (“**the Act**”) and the Companies (Share Capital and Debentures) Rules, 2014 (the “**Companies SCD Rules**”) and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any modifications thereof or supplements thereto (“**the SEBI SBEB and Sweat Equity Regulations**”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**the SEBI LODR Regulations**”), the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the board of directors of the Company (hereinafter referred to as “**the Board**”) which term shall be deemed to include the Compensation/Nomination and Remuneration Committee), the consent of the members be and is hereby accorded to extend the benefits of ‘**Paras Defence and Space Technologies Limited - Employee Stock Option Plan 2024**’ (“**Paras Defence ESOP 2024**”) proposed in the resolution number 11(A) above to the

eligible Employees and Directors of the Company and/ or Subsidiary Company(ies), Group Company(ies), Associate Company(ies) (present or future) and to such other persons as may from time to time be allowed, under prevailing laws, rules and regulations, and/ or amendments thereto from time to time, on such terms and conditions as may be decided by the Board and selected on the basis of criteria prescribed by the Board, at such price or prices in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the Paras Defence ESOP 2024.

RESOLVED FURTHER THAT for the purpose of creating, offering, issuing, allotting and listing of the equity shares, the Board be authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the Paras Defence ESOP 2024 from time to time or to suspend, withdraw or revive Paras Defence ESOP 2024 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby

authorized to determine terms and conditions of issue of the equity shares and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company.”

By the order of the Board of Directors
Paras Defence and Space Technologies Limited

Date: August 27, 2024

Place: Navi Mumbai **Jajvalya Raghavan**
Company Secretary and Compliance Officer

Registered Office:

D-112, TTC Industrial Area,
MIDC, Nerul, Navi Mumbai – 400706

Tel. No. +91-22-6919 9999

Fax No. +91-22-6919 9990

E-mail: business@parasdefence.com

Website: www.parasdefence.com

CIN: L29253MH2009PLC193352

NOTES:

- a. The Ministry of Corporate Affairs ('MCA') has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 8, 2021, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 02/2022 dated May 5, 2022, General Circular No. 10/2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 respectively (collectively referred as 'MCA Circulars') and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 and Circular No. SEBI/HO/CFD/CFP-PoD-2/P/CIR/2023/167 dated October 07, 2023 issued by Securities and Exchange Board of India (SEBI) (collectively referred as 'SEBI Circulars'). MCA Circulars and SEBI Circulars (collectively referred as 'Circulars') allowed the companies to hold Annual General Meeting (AGM) through Video Conferencing / Other Audio-Visual Means (VC/OAVM), without the physical presence of members at the venue.
- In compliance with the applicable provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the 15th AGM of the Company is being held through VC/OAVM on September 20, 2024, at 12:30 p.m. (IST). The proceedings of the AGM will be conducted at the Registered Office of the Company at D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai – 400706, which shall be the deemed venue of the AGM.
- b. Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act") and as per the Listing Regulations, concerning resolutions vide item No. 3 to 11 in the Notice of this 15th Annual General Meeting is annexed hereto and forms integral part of this Notice.
- c. **Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the Circulars through VC / OAVM, the requirement of 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 are not annexed to this Notice.**
- d. Participation of Members through VC / OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
- e. The information required to be provided as per Section 102 of the Act, Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India and Listing Regulations are furnished in the explanatory statement which is annexed hereto.
- f. All the relevant documents referred to in this AGM Notice and Explanatory Statement, Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 and other documents shall be available electronically for inspection by the members at the AGM. Members seeking to inspect such documents can send an e-mail to cs@parasdefence.com from their registered e-mail address mentioning their name, DP ID and Client ID.
- g. The register of members and share transfer books of the Company will remain closed from Saturday, September 14, 2024 to Friday, September 20, 2024 (both days inclusive) for the purpose of determining eligibility of the members for the purpose of e-voting and AGM.
- h. In line with the Ministry of Corporate Affairs (MCA) Circular No.14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020 and Circular No. 20/2020 dated 5th May, 2020 read with Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 Circular No. 17/2020 dated April 13, 2020, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company's Registrar and Share Transfer Agent/Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website www.parasdefence.com, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of Link Intime India Private Limited www.linkintime.co.in.
- i. In case any Member is desirous of obtaining physical copy of the Annual Report for the FY 2023-24 and Notice of the AGM of the Company, he/she may send a request to the Company by writing at cs@parasdefence.com mentioning their DP ID and Client ID/Folio No.
- j. Corporate Members are entitled to appoint authorized representatives to attend the AGM through VC / OAVM and vote on their behalf. Institutional / Corporate members (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization along with an ID proof of the representative, authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to dinesh.deora@gmail.com with a copy marked to instameet@linkintime.co.in.
- k. INFORMATION AND OTHER INSTRUCTIONS FOR MEMBERS RELATING TO E-VOTING & AGM:**
- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), the Company is providing

facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has availed services of Link Intime India Private Limited for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as voting on the date of the AGM will be provided by Link Intime India Private Limited.

- ii. Members may note that the VC/OAVM facility, allows participation of at least 1,000 Members on a first-come-first-served basis and the said facility shall open 30 minutes before the time scheduled for the AGM. This will not include large members (members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- iii. Members will be able to attend the AGM through VC/ OAVM at <https://instavote.linkintime.co.in> by using their remote e-voting login credentials and selecting the link available against the EVEN (240495) for Company's AGM. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned below in the Notice.
- iv. The remote e-voting period commences on Tuesday, September 17, 2024 at 9:00 a.m. (IST) and ends on Thursday, September 19, 2024 at 5:00 p.m. (IST). During this period members of the Company, holding shares as on the cut-off date of Friday, September 13, 2024, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- v. The Company has appointed Mr. Dinesh Kumar Deora, Practicing Company Secretary (Membership No. FCS 5683, C.P. No. 4119), or failing him any other eligible representative of M/s. DM & Associates Company Secretaries LLP as Scrutinizer to scrutinize remote e-voting or e-voting at the AGM in a fair and transparent manner and he has communicated his willingness to be appointed.
- vi. The Scrutinizer shall, after scrutinizing the votes cast through remote e-voting and through electronic means at AGM, first count the votes cast vide e-voting at the AGM and thereafter shall, unblock the votes cast through remote e-voting, in the presence of at least two witnesses not in the employment of the Company. He shall be submitting a Consolidated Scrutinizer's Report of the total votes cast in favour or against, not later than 48 (forty-eight) hours of the conclusion of the AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- vii. Subject to receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the meeting, i.e. Friday, September 20, 2024.
- viii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www. parasdefence.com](http://www.parasdefence.com) and on the website of Link Intime India Private Limited i.e. www.linkintime.co.in. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed.
- ix. Members holding shares of the Company as on Friday, September 13, 2024, shall be entitled to vote at the Annual General Meeting of the Company. A person who is not a member as on the cut-off date should treat this notice for information purposes only.
- x. The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.
- xi. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
- xii. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at e-mail address: cs@parasdefence.com at least seven days prior to the date of Annual General Meeting. The same shall be replied suitably by the Company.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Tuesday, September 17, 2024 at 9:00 a.m. (IST) and ends on Thursday, September 19, 2024 at 5:00 p.m. (IST). The remote e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, September 13, 2024, may cast their vote electronically. The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, September 13, 2024.

Remote e-Voting Instructions for members:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

Individual Shareholders holding securities in demat mode with NSDL:

METHOD 1 - If registered with NSDL IDEAS facility

Users who have registered for NSDL IDEAS facility:

- a) Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "Login".
- b) Enter user id and password. Post successful authentication, click on "Access to e-voting".

- c) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

User not registered for IDEAS facility:

- a) To register, visit URL: <https://eservices.nsd.com> and select “Register Online for IDEAS Portal” or click on <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp> “
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided with Login ID and password.
- d) After successful login, click on “Access to e-voting”.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of NSDL:

- a) Visit URL: <https://www.evoting.nsd.com/>
- b) Click on the “Login” tab available under ‘Shareholder/ Member’ section.
- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you can see “Access to e-voting”.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with CDSL:

METHOD 1 – From Easi/Easiest

Users who have registered/ opted for Easi/Easiest

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or www.cdslindia.com.
- b) Click on New System Myeasi
- c) Login with user id and password
- d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

Users not registered for Easi/Easiest

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration> / <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>

- b) Proceed with updating the required fields.
- c) Post registration, user will be provided Login ID and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of CDSL

- a) Visit URL: <https://www.cdslindia.com/>
- b) Go to e-voting tab.
- c) Enter Demat Account Number (BO ID) and PAN No. and click on “Submit”.
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with Depository Participant:

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, members shall navigate through “e-voting” tab under Stocks option.
- c) Click on e-voting option, members will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-voting menu.
- d) After successful authentication, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Visit URL: <https://instavote.linkintime.co.in>
2. Click on “Sign Up” under ‘SHAREHOLDER’ tab and register with your following details: -

A. User ID:

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8

Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. PAN:

Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI:

Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number:

Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

Shareholders holding shares in **physical form but have not recorded 'C' and 'D'; shall provide their Folio number in 'D' above*

Shareholders holding shares in **NSDL form, shall provide 'D' above*

▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).

▶ Click "confirm" (Your password is now generated).

3. Click on 'Login' under 'SHAREHOLDER' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund"):

STEP 1 – Registration

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on Sign up under "Corporate Body/ Custodian/Mutual Fund"
- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised

Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.

- e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.
- f) While first login, entity will be directed to change the password and login process is completed.

STEP 2 –Investor Mapping

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on "Investor Mapping" tab under the Menu Section
- c) Map the Investor with the following details:
 - a. 'Investor ID' -
 - i. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678
 - ii. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
 - b. 'Investor's Name - Enter full name of the entity.
 - c. 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.
 - d. 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.
 - d) Click on Submit button and investor will be mapped now.
 - e) The same can be viewed under the "Report Section".

STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on 'Votes Entry' tab under the Menu section.
- c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.
- d) Enter '16-digit Demat Account No.' for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
- f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.

- g) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

METHOD 2 - VOTES UPLOAD:

- Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- You will be able to see the notification for e-voting in inbox.
- Select 'View' icon for 'Company's Name / Event number'. E-voting page will appear.
- Download sample vote file from 'Download Sample Vote File' option.
- Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.
- Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:

Helpdesk for Individual shareholders holding securities in physical form/Non-Individual Shareholders holding securities in demat mode:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
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 : 022 - 4886 7000 and 022 - 2499 7000
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 or contact at toll free no. 1800 22 55 33

Forgot Password:

Individual shareholders holding securities in physical form has forgotten the password:

If an Individual shareholders holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund") has forgotten the password:

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on 'Login' under 'Corporate Body/ Custodian/Mutual Fund' tab and further Click 'forgot password?'
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Process and manner for attending the General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & Click on “Login”.
- ▶ Select the “**Company**” and ‘Event Date’ and register with your following details: -
 - A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
 - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
 - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
 - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company
 - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. Mobile No.:** Enter your mobile number.
 - D. Email ID:** Enter your email id, as recorded with your DP/Company.
- ▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Instructions for Shareholders/ Members to Speak during the General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request with the company.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the General Meeting through InstaMeet 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 facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

RATIFICATION OF REMUNERATION OF COST AUDITORS

In terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 ('Rules'), as amended from time to time, the Company is required to undertake the audit of its cost records. Such cost audit has to be conducted by a Cost Accountant in Practice.

Based on the recommendation of the Audit Committee, the Board of Directors at their Meeting held on May 25, 2024, has approved the appointment of M/s. Dinesh Jain & Co., Cost Accountants (FRN: 100583) as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the FY 2024-25, at a remuneration of ₹ 1,00,000/- (Rupees One Lakh Only) plus applicable taxes thereon and reimbursement of actual out-of-pocket expenses.

As required under Section 141 of the Act, M/s. Dinesh Jain & Co., Cost Accountants have consented to act as the Cost Auditors of the Company for the FY 2024-25 and confirmed their eligibility to conduct the cost audit of the Company.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board must be ratified by the Members 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 for conducting the audit of the cost records of the Company for the financial year ending March 31, 2025.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board recommends the Resolution set forth in Item No. 3 for the approval of the Members.

ITEM NO. 04

APPROVAL FOR GIVING AUTHORIZATION TO BOARD OF DIRECTORS OF THE COMPANY TO ADVANCE ANY LOAN, GIVE ANY GUARANTEE OR TO PROVIDE ANY SECURITY TO ALL SUCH PERSON SPECIFIED UNDER SECTION 185 OF THE COMPANIES ACT, 2013 UPTO AN AGGREGATE LIMIT OF ₹ 60,00,00,000/- (RUPEES SIXTY CRORES ONLY)

The Members of the Company through postal ballot on May 3, 2024 had accorded their consent under section 185 of the Companies Act, 2013, by way of Special Resolution, to the Board of Directors of the Company, to advance any loan, including any loan represented by a book debt to, or give any guarantee or provide any security in connection with any loan taken by (a) any director of company, or of

a company which is its holding company or any partner or relative of any such director; or (b) any firm in which any such director or relative is a partner, upto a sum aggregating ₹ 25,00,00,000/- (Rupees Twenty Five Crores).

However, in order to augment the long-term resources of the company and its subsidiaries, associates and such other permitted entities/ persons and to render support for the business requirements of the entities, it is proposed to increase the limits under section 185 of the Companies Act, 2013 to ₹ 60,00,00,000/- (Rupees Sixty Crores Only).

Members may note that pursuant to the provisions of Section 185 of the Companies Act, 2013 ("the Act") read with the Companies (Meeting of Board and its Powers) Rules, 2014 (as amended from time to time), no Company shall, directly or indirectly, advance any loan, including any loan represented by a book debt to, or give any guarantee or provide any security in connection with any loan taken by (a) any director of Company, or of a Company which is its holding Company or any partner or relative of any such director; or (b) any firm in which any such director or relative is a partner.

However, a Company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the Director of the Company is interested, subject to the condition that (a) a special resolution is passed by the Company in general meeting and (b) the loans are utilized by the borrowing Company for its principal business activities.

Accordingly, the Board of Directors at their meeting held on August 27, 2024, has subject to the approval of members of the Company, proposed and approved for seeking the members' approval for increase in limit from ₹ 25,00,00,000/- (Rupees Twenty Five Crores Only) to an aggregate limit of ₹ 60,00,00,000/- (Rupees Sixty Crores Only) for advancing any loan, giving any guarantee or providing any security to all such person specified under Section 185 of the Companies Act, 2013 and more specifically such other entity/person as the Board of the Directors in its discretion deems fit and beneficial and in the best interest of the Company all together with in whom or in which any of the Director of the Company from time to time is interested or deemed to be interested. Further, the aforementioned loan(s) and/or guarantee(s) and/or security(ies) shall only be utilized by the borrower for the purpose of its principal business activities and that keeping the best interest of the Company.

The above restriction is not applicable to any loan given by the Company to its wholly owned subsidiary Company or any guarantee given, or security provided by the Company to its wholly owned subsidiary Company provided that the loans given are utilized by the Subsidiary Company for its principal business activities.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 4 of this Notice, in relation to the details as stated above and thus the Board of Directors recommends the said Resolution for the approval of the members of the Company as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their Directorship and Shareholding, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Resolution set forth in Item No. 4 for the approval of the Members

ITEM NO. 05

APPROVAL FOR EXTENSION OF LIMITS TO GIVE LOAN(S)/ PROVIDE GUARANTEE(S) OR SECURITY(IES)/ MAKE INVESTMENT(S) UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Members of the Company in their meeting held on September 30, 2019 had approved the limits under Section 186 of the Companies Act, 2013 (“the Act”) to (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate upto ₹ 2,00,00,00,000/- (Rupees Two Hundred Crores Only).

However, in order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of funds by giving commensurate loan(s) / providing guarantee(s) or securities(s) in connection with loans/ to make investment(s) to person(s) or bodies corporate(s), from time to time, in excess of the limits specified under Section 186 of the Act.

Members may note that pursuant to Section 186 of the Act read with the Companies (Meeting of Board and its Powers) Rules, 2014 (the “Rules”) as amended from time to time, the Company can give loan or provide any guarantee or security in connection with a loan to any other body corporate or person or acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with the prior approval of Members by passing special resolution at the general meeting.

The Board of Directors at their meeting held on August 27, 2024, subject to the approval of members of the Company, had proposed and approved, for seeking the members approval for increase in limit under Section 186 of the Act, from ₹ 2,00,00,00,000/- (Rupees Two Hundred Crores Only) to an aggregate limit of ₹ 5,00,00,00,000/- (Rupees Five Hundred Crores Only) and to give powers to the Board of Directors or any duly constituted Committee thereof to that effect.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 5 of this Notice, in relation to the details as stated above and thus the Board of Directors recommends the said Resolution for the approval of the members of the Company as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their Directorship and Shareholding, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Resolution set forth in Item No. 5 for the approval of the Members.

ITEM NO. 6

APPROVAL OF MATERIAL RELATED PARTY TRANSACTION(S) WITH CONTROP-PARAS TECHNOLOGIES PRIVATE LIMITED (“THE ASSOCIATE COMPANY”)

The Board of Directors based on recommendation of the Audit Committee at their meeting held on August 27, 2024, have accorded approval to enter into and/or execute contract(s)/ arrangement(s)/ transaction(s), whether by way of individual or multiple transaction(s) taken together, between the Company and Controp-Paras Technologies Private Limited (“Associate Company”) for supply of goods/services/material including technologies and other business transactions for a period from date of this Annual General Meeting till the date of next Annual General Meeting.

The Company is an Indian premier defence engineering Company, offering a wide range of Products & Solutions for Defence & Space Applications. With focus on Defence & Space Sector, it has two verticals, namely Optics & Optronics Systems and Defence Engineering (comprising of Defence Electronics, EMP Protection Solutions & Heavy Engineering). The annual consolidated turnover of the Company as on March 31, 2024 is ₹ 253.50 crores. The Associate Company was incorporated on July 31, 2023, which is engaged in the business of manufacturing of EO/IR Systems for various platforms as designed by Controp Precision Technologies, Israel along with some co-development of products in the future.

In accordance with Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), prior approval of the members is required for (a) related party transactions which in a financial year, exceed the lower of (i) ₹ 1,000 Crores; and (ii) 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company; and (b) any subsequent material modifications thereto as defined by the Audit Committee of the Company.

The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned company and at an arm’s length basis.

The material related party transaction of the Company with the Associate Company as set out in item no. 6 of notice is at arm’s length and in the ordinary course of business. It has been evaluated by an external independent accounting firm and the firm has confirmed that the proposed terms of the contract/agreement meet the arm’s length testing criteria. The related party transaction also qualifies as contract under ordinary course of business and this analysis is presented to the Audit Committee.

Further, the aforesaid material related party transaction is undertaken after obtaining prior approval of the Audit Committee. The Audit Committee of the Company currently comprises of majority of independent directors. All related party transactions have been approved by the Audit Committee after satisfying itself that the related party transactions are at arm’s length and in the ordinary course of business. The Audit Committee of the Company reviews on a quarterly basis, the details of all related party transactions entered into by the Company during the previous quarter, pursuant to its approvals.

The relevant information pertaining to transactions with the Associate Company as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is given below:

Sr. No.	Particulars	Details
1.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Name of Related Party - Controp-Paras Technologies Private Limited ("Controp-Paras") Relationship - Controp-Paras is an Associate Company of the Company. The Company holds 30% of paid-up equity share capital of Controp-Paras.
2.	Name of Director(s) or Key Managerial Personnel who is related, if any	-
3.	Type, Tenure, Material Terms and Particulars	Supply of goods/services/material including technologies and other business transactions for a period from date of this Annual General Meeting till the date of next Annual General Meeting.
4.	Value of the transaction	Upto ₹ 2,93,00,00,000/- (Rupees Two Hundred and Ninety Three Crores plus applicable taxes)
5.	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	116%
7.	Justification as to why the RPT is in the interest of the listed entity	Controp-Paras has received an order from L & T for manufacturing and supply of Electro-Optics System along with Extended Warranty Charges and Integrated Logistics Support ("ILS") Package for their CIWS Program. The Company shall be executing the Indian Content ("IC") out of the aforementioned order. The Company specializes in manufacturing and designing engineering and technology for Defence and Space Sector. The pricing for the aforesaid transaction is in ordinary course of business and on arm's length basis.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of this Notice, in relation to the details as stated above and thus the Board of Directors recommends the said Resolution for the approval of the members of the Company as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their Directorship and Shareholding, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Resolution set forth in Item No. 6 for the approval of the Members.

ITEM NO. 07

REMUNERATION OF MR. AMIT NAVIN MAHAJAN, A RELATED PARTY, HOLDING AN OFFICE OR PLACE OF PROFIT IN THE COMPANY

Mr. Amit Navin Mahajan is husband of Mrs. Shilpa Amit Mahajan, Whole-Time Director of the Company, a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). He has been appointed as Director - Technical and Research & Development, an officer holding office or place of profit under provisions of Section 188(1)(f) of the Act read with explanation and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, and other applicable provisions of the Act thereunder, if any, and Regulation 23 of SEBI Listing Regulations (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and his remuneration was last revised

at the 13th AGM of the Company dated September 27, 2022 in the pay scale of ₹ 2,00,000/- per month to ₹ 4,00,000/- Per month.

Mr. Amit Navin Mahajan holds a bachelor's degree in instrumentation engineering from University of Mumbai. He has over 21 years of work experience in defence electronics and systems. He was appointed as Director - Business of the Company in the year 2018 and was re-designated as Director - Technical and Research & Development with effect from October 1, 2020.

Pursuant to the provisions Section 188(1)(f) of the Act read with explanation and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from to time, where the office or place of profit is held by an individual other than Director and such person receives from the Company anything by way of remuneration, salary, fee, commissions, perquisites, any rent free accommodation or otherwise, it requires the prior approval of the members, if the monthly remuneration exceeds ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only).

Considering the performance, contribution and initiatives taken by Mr. Amit Navin Mahajan and his dedicated involvement in the affairs of the Company, the Board, subject to approval of the members, has approved in their meeting held on August 27, 2024, on the recommendation of Nomination and Remuneration Committee and Audit Committee in their meeting held on even date, an increase in remuneration of Mr. Amit Navin Mahajan, Director - Technical and Research & Development of the Company, in the pay scale of ₹ 4,00,000/- per month to ₹ 6,00,000/- per month which is in the ordinary course of business and at arm's length basis.

Brief profile of Related Party and disclosure pursuant to Rule 15(3) of Companies (Meetings of Board and its powers) Rules 2014 are as under:

Sr. No.	Particulars	Details
1.	Name of the Related Party;	Mr. Amit Navin Mahajan
2.	Name of the director or key managerial personnel who is related, if any;	Mrs. Shilpa Amit Mahajan, Whole-Time Director
3.	Nature of relationship;	Mr. Amit Navin Mahajan is husband of Mrs. Shilpa Amit Mahajan.
4.	Nature, material terms, monetary value and particulars of the contract or arrangements;	Increase in prescribed limit of remuneration in the pay scale of ₹ 4,00,000/- per month to ₹ 6,00,000/- per month (including, but not limited to all basic, additional, fixed and variable remunerations, bonus, commissions, incentives, allowances, benefits, perquisites, amenities and conveniences etc. as per the policy of the Company) with effect from September 20, 2024.
5.	Any other information relevant or important for the members to take a decision on the proposed resolution.	Not Applicable

The Members are hereby informed that as per Regulation 23 of SEBI Listing Regulations and Section 188 of the Act, no member of the Company shall vote on this resolution if such member is a Related Party.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for Approval for increase in remuneration of Mr. Amit Navin Mahajan, a Related Party, holding an office or place of profit in the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their Directorship and Shareholding, in the resolution set out at Item No. 7 of the Notice.

The Board recommends the Resolution set forth in Item No. 7 for the approval of the Members.

ITEM NO. 08

REMUNERATION OF MR. ANISH HEMANT MEHTA, A RELATED PARTY, HOLDING AN OFFICE OR PLACE OF PROFIT IN THE COMPANY

Mr. Anish Hemant Mehta is a member of Promoter Group, a 'Related Party' as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). He has been appointed as Director – Business Development, an officer holding office or place of profit under provisions of Section 188(1) (f) of the Companies Act, 2013 ("the Act") read with explanation and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Act thereunder, if any and Regulation 23 of SEBI Listing Regulations (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and his remuneration was last revised at the 13th AGM of the Company dated September 27, 2022 in the pay scale of ₹ 2,00,000/- per month to ₹ 4,00,000/- per month.

Mr. Anish Hemant Mehta has over 23 years of work experience in business operations and logistics. He joined the Company on October 5, 2009 as General Manager and was re-designated as Director - Business Development with effect from October 1, 2018.

Pursuant to the provisions Section 188(1)(f) of the Act read with explanation and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time, where the office or place of profit is held by an individual other than Director and such person receives from the Company anything by way of remuneration,

salary, fee, commissions, perquisites, any rent free accommodation or otherwise, it requires the prior approval of the members if the monthly remuneration exceeds ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only).

Keeping in view the contributions made and his suitability, the Board, subject to approval of the members, has approved in their meeting held on August 27, 2024 on the recommendation of Nomination and Remuneration Committee and Audit Committee in their meeting held on even date, an increase in remuneration of Mr. Anish Hemant Mehta, Director – Business Development of the Company and an officer holding office or place of profit in the Company, in the pay scale of ₹ 4,00,000/- per month to ₹ 6,00,000/- per month which is in the ordinary course of business and at arm's length basis. Since Mr. Anish Hemant Mehta does not fall under the definition of relative as per the Act, hence the brief profile of Related Party and disclosure pursuant to Rule 15(3) of Companies (Meetings of Board and its powers) Rules 2014 is not applicable.

The Members are hereby informed that as per Regulation 23 of SEBI Listing Regulations and Section 188 of the Act, no member of the Company shall vote on this resolution if such member is a Related Party.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for Approval for increase in remuneration of Mr. Anish Hemant Mehta, a Related Party, holding an office or place of profit in the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their Directorship and Shareholding, in the resolution set out at Item No. 8 of the Notice.

The Board recommends the Resolution set forth in Item No. 8 for the approval of the Members.

ITEM NO. 09

REMUNERATION OF MR. HARSH DHIRENDRA BHANSALI, CHIEF FINANCIAL OFFICER AND A RELATED PARTY, HOLDING AN OFFICE OR PLACE OF PROFIT IN THE COMPANY

Mr. Harsh Dharendra Bhansali is a son-in-law of Mr. Sharad Virji Shah, Chairman and Non-Executive Non-Independent Director of the Company, a 'Related Party' as defined under Section 2(76) of

the Companies Act, 2013 (“the Act”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). He has been appointed as Chief Financial Officer holding office or place of profit under provisions of Section 188(1)(f) of the Act read with explanation and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Act made thereunder, if any and Regulation 23 of SEBI Listing Regulations (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and his remuneration was last revised at the 13th AGM of the Company dated September 27, 2022 in the pay scale ₹ 2,00,000/- per month to ₹ 4,00,000/- Per month.

Mr. Harsh Dharendra Bhansali has been Managing the Finance, Accounts and related activities since 2018 and is involved in the operations of the Company. He has been associated with the Company since inception and has held various responsibilities before being appointed as Chief Financial Officer. He has over 18 years of work experience in finance and accounts. He has been designated as Chief Financial Officer of the Company on March 24, 2020.

Pursuant to the provisions of Section 188(1)(f) of the Act read with explanation and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time, where the office or place of profit is held by an individual other than Director and such person receives from the Company anything by way of remuneration, salary, fee, commissions, perquisites, any rent free accommodation or otherwise, it requires the prior approval of the members if the monthly remuneration exceeds ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only).

Taking into consideration Mr. Harsh Dharendra Bhansali’s contribution towards the growth of the Company and his longer association with the Company, the Board, subject to approval of the members, has approved in their meeting held on August 27, 2024 on the recommendation of Nomination and Remuneration Committee and Audit Committee in their meeting held on even date, an increase in remuneration of Mr. Harsh Dharendra Bhansali, Chief Financial Officer of the Company and an officer holding office or place of profit in the Company, in the pay scale of ₹ 4,00,000/- per month to ₹ 6,00,000/- per month which is in the ordinary course of business and at arm’s length basis.

Brief profile of Related Party and disclosure pursuant to Rule 15(3) of Companies (Meetings of Board and its powers) Rules 2014 are as under:

Sr. No.	Particulars	Details
1.	Name of the Related Party;	Mr. Harsh Dharendra Bhansali
2.	Name of the director or key managerial personnel who is related, if any;	Mr. Sharad Virji Shah, Chairman and Non-Executive Non-Independent Director
3.	Nature of relationship;	Mr. Harsh Dharendra Bhansali is son-in-law of Mr. Sharad Virji Shah
4.	Nature, material terms, monetary value and particulars of the contract or arrangements;	Increase in prescribed limit of remuneration in pay scale of ₹ 4,00,000/- per month to ₹ 6,00,000/- per month (including, but not limited to all basic, additional, fixed and variable remunerations, bonus, commissions, incentives, allowances, benefits, perquisites, amenities and conveniences etc. as per the policy of the Company) with effect from September 20, 2024.
5.	Any other information relevant or important for the members to take a decision on the proposed resolution.	Not Applicable

The Members are hereby informed that as per Regulation 23 of SEBI Listing Regulations and Section 188 of the Act, no member of the Company shall vote on this resolution if such member is a Related Party.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for Approval for increase in remuneration of Mr. Harsh Dharendra Bhansali, Chief Financial Officer and a Related Party, holding an office or place of profit in the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their Directorship and Shareholding, in the resolution set out at Item No. 9 of the Notice.

The Board recommends the Resolution set forth in Item No. 9 for the approval of the Members.

ITEM NO. 10:

TO RAISE CAPITAL BY WAY OF A QUALIFIED INSTITUTIONS PLACEMENT TO ELIGIBLE INVESTORS THROUGH ISSUANCE OF EQUITY SHARES AND/OR OTHER ELIGIBLE SECURITIES

The Company anticipates further growth opportunities in its existing operations and continues to evaluate various avenues for expansion and achieving growth. Towards this, the Company continues to require capital to achieve such growth and expansion. Accordingly, the Company intends to raise capital by way of a qualified institutions placement (“QIP”) to eligible investors through the further issuance of Eligible Securities in accordance with applicable laws. The proposed issue of capital is subject to, inter alia, the applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications, as amended from time to time, issued by the Securities and Exchange Board of India (“SEBI”), BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE” and together with BSE, “Stock Exchanges”), Reserve Bank of India, Ministry of

Corporate Affairs, Government of India, Registrar of Companies, to the extent applicable, and any other approvals, permits, consents and sanctions of any regulatory/ statutory authorities, as may be required in this regard, domestically or internationally.

Accordingly, the board of directors of the Company ("Board") at their meeting held on August 27, 2024, had considered the proposal and accorded necessary approvals, subject to the approval of the Members and other concerned authorities as indicated above, raising funds by way of issuance of eligible securities including equity shares of face value of ₹ 10/- (Rupees Ten Only), non-convertible debt instruments along with warrants and convertible securities other than warrants, (hereinafter referred to as "Eligible Securities" within the meaning rendered to such term under Regulation 171(a) of the SEBI ICDR Regulations) or any combination of the Eligible Securities, in accordance with applicable law, in one or more tranches, for an aggregate amount of up to ₹ 2,00,00,00,000/- (Rupees Two Hundred Crores Only). The Resolution contained in the agenda of the notice seeks to empower the Board of Directors to undertake a qualified institutions placement with qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"). The Board of Directors may at its discretion adopt this mechanism as prescribed under Chapter VI of the SEBI ICDR Regulations for raising the funds, without the need for fresh approval from the Members. The Eligible Securities allotted as above would be listed on BSE Limited and National Stock Exchange of India Limited. The offer/issue/ allotment would be subject to regulatory approvals, if any. The conversion of Eligible Securities, if any, held by foreign investors into Equity Shares would be subject to the applicable foreign exchange regulations and sectoral caps, if any.

The proposal seeks to confer upon the Board (including a Committee thereof), the absolute discretion to determine the terms of the aforementioned issuance of Eligible Securities, including the exact price, proportion and timing of such issuance, based on an analysis of the specific requirements and market conditions. The detailed terms and conditions of such issuance will be determined by the Board or a Committee thereof, considering prevailing market conditions, and practices and in accordance with the applicable provisions of law and other relevant factors. Accordingly, the Board (including a committee thereof) may, in its discretion, adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the Members of the Company.

As and when the Board or a Committee thereof takes a decision on matters pertaining to the proposed fundraising, on which it has the discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the SEBI Listing Regulations. This Special Resolution, if passed, will have the effect of allowing the Board to offer, issue and allot the Eligible Securities to the Investors, who may or may not be the existing members of the Company.

I. Objects of the Issue

The Company shall utilize the proceeds from the Issue (after adjustment of expenses related to the Issue) at various stages for the usage of one or more, or any combination of the following: capital expenditure for organic growth, expansion

and growth of the existing business of the Company or its subsidiaries, funding working capital requirements, pre-payment and / or repayment of debts of the Company or its subsidiaries, general corporate purposes and such other purpose(s) as may be permissible under applicable laws and approved by the Board of the Company. The details for deployment of funds will be specifically mentioned in the preliminary placement document/ placement document in terms of applicable circulars of BSE and NSE, in this regard as well as the SEBI ICDR Regulations.

The Board or a duly authorised committee shall decide the specific objects towards which the Net Proceeds shall be deployed and will be dependent on multiple factors such as, inter alia, market conditions, timing of the offer and other internal and external factors.

Pending utilization of the proceeds from the Issue, the Company shall invest such proceeds in the highest credit quality short-term money market mutual funds, deposits in scheduled commercial banks or any other investment as permitted

II. Amount of the Offering

The approval of the Members by way of a Special Resolution is sought to be obtained to fulfil the aforesaid objects by raising funds by way of issuance of Eligible Securities, in accordance with applicable law, in one or more tranches, whether Rupee denominated or denominated in foreign currency, in the course of domestic and/or international offering(s) in one or more foreign markets, in terms of the applicable regulations and as permitted under the applicable laws, in such manner in consultation with the lead managers and/or other advisor(s) or otherwise, for an aggregate amount not exceeding ₹ 2,00,00,00,000/- (Rupees Two Hundred Crores Only) or an equivalent amount thereof (inclusive of such premium as may be fixed on such Eligible Securities) at such price or prices as may be permissible under applicable law by way of a QIP in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any amendment, modification, variation or re-enactment thereof) ("SEBI ICDR Regulations"), Sections 42 and 62 and other applicable provisions of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, each as amended, the provisions of the Memorandum and Articles of Association of the Company and other applicable laws. ("Issue")

The Board (including any duly authorized committee thereof) may at their discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the members of the Company. The proposed issue of capital is subject to, inter alia, the applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications, as amended from time to time, issued by the Securities and Exchange Board of India, the BSE and NSE ("Stock Exchanges"), Reserve Bank of India, Ministry of Corporate Affairs, Government of India, Registrar of Companies, Mumbai, Maharashtra, to the extent applicable, and any other approvals, permits, consents and sanctions of any regulatory/

statutory authorities and guidelines and clarifications issued thereon from time to time.

The issue is made through a qualified institutions placement and will be undertaken in terms of the SEBI ICDR Regulations as follows:

1. the allotment of Eligible Securities shall only be made to qualified institutional buyers (“QIBs”) as defined under SEBI ICDR Regulations;
2. the allotment of the Eligible Securities shall be completed within 365 days from the date of passing of the special resolution in accordance with the SEBI ICDR Regulations and applicable laws;
3. a minimum of 10% of the Eligible Securities shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs;
4. the “relevant date” for the purposes of pricing of the Securities to be issued and allotted in the proposed QIP shall be the date of the meeting in which the Board or a duly authorised committee decides to open the proposed QIP of equity shares as Eligible Securities; and in case Eligible Securities are eligible convertible securities, then either the date of the meeting in which the Board or a duly authorized committee decides to open the proposed issue or the date on which the holders of such eligible convertible securities become entitled to apply for the equity shares as provided under the SEBI ICDR Regulations;
5. the equity shares of the same class, which are proposed to be allotted through qualified institutions placement or pursuant to conversion or exchange of eligible securities offered through qualified institutions placement, have been listed on a stock exchange for a period of at least one year prior to the date of issuance of notice to its Members for convening the meeting to pass the special resolution;
6. An issuer shall be eligible to make a qualified institutions placement if any of its promoters or directors is not a fugitive economic offender.
7. no single allottee shall be allotted more than 50% of the QIP size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations. It is clarified that qualified institutional buyers belonging to the same group or who are under same control shall be deemed to be a single allottee;
8. the Eligible Securities to be offered and allotted shall be in dematerialized form and shall be allotted on fully paid up basis;
9. a discount of not more than 5% (five per cent) or such other percentage as may be permitted under applicable law to the floor price may be provided in terms of the SEBI ICDR Regulations;

10. the Eligible Securities allotted shall not be eligible for sale by the allottee for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time; and
11. The Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to the special resolution passed at this meeting.

III. Pricing

The pricing would be arrived at by the Board, depending on market conditions and in accordance with the SEBI ICDR Regulations, or other applicable laws. In the event of a QIP pricing of the Equity Shares that may be issued to QIBs shall be freely determined subject to such price not being less than floor price calculated in accordance with Chapter VI of the SEBI ICDR Regulations, provided that the Company may offer a discount not exceeding 5% of the floor price or such other permissible limit as may be specified under Chapter VI of the SEBI ICDR Regulations.

IV. Relevant Date

The relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board or any other committee duly authorized by the Board decides to open the QIP of Equity Shares as eligible securities, in accordance with applicable laws, rules, regulations and guidelines in relation to the proposed issue of Equity Shares, and in case Securities are eligible convertible securities, then either the date of the meeting in which the Board or any other committee duly authorized by the Board decides to open the proposed issue or the date on which holders of Securities become eligible to apply for Equity Shares, as may be determined by the Board or duly authorized Committee or such date as may be permitted under SEBI ICDR Regulations, as amended as may be applicable.

V. Change in Control

There would be no change in control pursuant to the said issue of Securities.

VI. Interest of Promoters, Directors and Key Managerial Personnel

The Promoters, members of the Promoter Group, Directors and Key Managerial Personnel of the Company will not subscribe to the QIP. No allotment shall be made, either directly or indirectly, to any Qualified Institutional Buyer who is a promoter of the Company, or any person related to promoters of the Company in terms of the SEBI ICDR Regulations.

VII. Class or Classes of persons to whom the Securities will be offered

The Securities will be offered and issued to such Investors including QIBs who are eligible to acquire such Securities in accordance with the applicable laws, rules regulations and guidelines. The proposed allottees may be resident of India or abroad and whether or not such persons are members

VIII. Monitoring of Utilization of Funds

Given that the issue size exceeds ₹100 Crore (Indian One Hundred Crore Only), in terms of Regulation 173A of the SEBI ICDR Regulations, the Company shall appoint a SEBI-registered credit rating agency as the monitoring agency to monitor the use of the proceeds of the Issue ("Monitoring Agency").

The Monitoring Agency shall submit its report to the Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% (One Hundred Percent) of the Issue Proceeds have been utilized. The Board and the management of the Company shall provide their comments on the findings of the Monitoring Agency in the format specified in Schedule XI of the SEBI ICDR Regulations. The Company shall, within 45 (forty-five) days from the end of each quarter, upload the report of the Monitoring Agency on its website and also submit the same to the Stock Exchanges

IX. The proposed time limit within which the allotment shall be complete:

In terms of SEBI (ICDR) Regulations, the allotment of the Eligible Securities shall be completed within 365 days from the date of this resolution, or such other period as may be prescribed under the ICDR Regulations or other applicable laws from time to time.

X. Lock-in Period/Transferability

In terms of the provisions of regulation 178 of the SEBI ICDR Regulations, the Eligible Securities allotted under the qualified institution placement shall not be sold by the allottee(s) for a period of one year from the date of allotment, except on a recognized stock exchange.

XI. Undertakings

- a) None of the Directors or Promoters of the Company are fugitive economic offenders as defined under the SEBI ICDR Regulations;
- b) the equity shares of the same class, which are proposed to be allotted through qualified institutions placement or pursuant to conversion or exchange of Eligible Securities offered through qualified institutions placement, have been listed on a stock exchange for a period of at least one year prior to the date of issuance of notice to its Members for convening the meeting to pass the special resolution; and
- c) the Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to this special resolution, or such other time as may be prescribed in the SEBI ICDR Regulations or other applicable laws.
- d) the number and/or price of the Eligible Securities or the underlying Equity Shares issued on conversion of Eligible Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division, reclassification of equity shares into other securities, issue of equity

shares by way of capitalisation of profit or reserves, or any such capital or corporate restructuring;

- e) no single allottee shall be allotted more than 50% of the proposed QIP size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations; and it is clarified that QIBs belonging to the same group or who are under the same control shall be deemed to be a single allottee;
- f) a minimum of 10% of the Eligible Securities shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs, in accordance with the ICDR Regulations;
- g) the tenure of the convertible or exchangeable eligible securities issued through qualified institutions placement shall not exceed sixty months from the date of allotment;
- h) the schedule of the QIP will be as determined by the Board or its duly authorized committee; and
- i) the detailed terms and conditions for the offer will be determined in consultation with the advisors, lead manager(s) and underwriters and such other authority or authorities as may be required, considering the prevailing market conditions and other regulatory requirements.

The Company is yet to identify the investor(s) and decide the quantum of Securities to be issued to them. Hence, the details of the proposed allottees, percentage of post issue of Securities that may be held by them and other details are not available at this point of time and shall be disclosed by the Company under the applicable regulations in due course (at appropriate time and mode). Accordingly, it is proposed to authorize the Board or duly authorized committee to identify the investor(s), issue such number of Securities, negotiate, finalize and execute such documents and agreements as may be required and do all such acts, deeds and things in this regard for and on behalf of the Company.

As the Issue may result in the issue of Eligible Securities of the Company to investors who may or may not be Members of the Company, consent of the Members is being sought pursuant to Sections 23, 42, 62(1)(c), 71 and other applicable provisions, if any, of the Companies Act, 2013 and any other law for the time being in force and being applicable and in terms of the provisions of the SEBI Listing Regulations and SEBI ICDR Regulations

In terms of Section 102(1) of the Companies Act, 2013, none of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding, if any, in the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their Directorship and Shareholding, in the resolution set out at Item No. 10 of the Notice.

The Board believes that the proposed QIP issue is in the best interest of the Company and therefore recommends the Special Resolution as set forth in Item No. 10 for the approval of the Members.

ITEM NO. 11

(A) TO APPROVE 'PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED - EMPLOYEE STOCK OPTION PLAN 2024' ('PARAS DEFENCE ESOP 2024')

(B) TO EXTEND APPROVAL OF 'PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED - EMPLOYEE STOCK OPTION PLAN 2024' TO THE EMPLOYEES OF COMPANY, ITS SUBSIDIARY COMPANY (IES) AND/ OR ASSOCIATE COMPANY(IES), GROUP COMPANY(IES) [PRESENT AND FUTURE]

Stock Options represent a reward system based on performance. They help companies to attract, retain and motivate the best available talent. Options also provide a company with an opportunity to optimise its personnel costs. This also provides an opportunity to the employees to participate in the growth of the company, besides creating long term wealth in their hands.

Further, as the business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the company. Your Company believes in rewarding its Employees including Employees of Company, its Subsidiary Company (ies) and/ or Associate Company(ies), Group Company(ies) [present and future] for their continuous hard work, dedication and support, which has led and will lead the Company on the growth path.

The reasons why the Company is intending to extend its scheme to the Employee(s) of its Company, its Subsidiary Company (ies) and/ or Associate Company(ies), Group Company(ies) [present and future] ("entities") are as below:

- The said entities are critical to the operations of the Company.
- The said entities do not have any other similar schemes of their own. The said entities are unlisted, hence, from a liquidity perspective it is logical to give stock options of the Company to the employees of such entities.

Keeping in line with the above, '**Paras Defence and Space Technologies Limited - Employee Stock Option Plan 2024**' ('**Paras Defence ESOP 2024**') has been formulated by the Company and to be implemented by Board / Nomination & Remuneration Committee in terms of provisions of Companies Act, 2013 and rules made thereunder, Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the requirements of SEBI (SBEB and Sweat Equity) Regulations issued by Securities and Exchange Board of India (SEBI) and other applicable laws. The Scheme has been approved by the Board of Directors at their meeting held on August 27, 2024, subject to the approval of the members.

The Paras Defence ESOP 2024 will be operated and administered under the superintendence of the Company's Board of Directors, Nomination and Remuneration Committee of Board of Directors, the majority of whose members are Independent Directors as per the applicable Act/Regulations. The Board / Nomination and Remuneration Committee will formulate the detailed terms and conditions of the Paras Defence ESOP 2024 including:

- a. the quantum of options, shares or benefits as the case may be, per employee, per grant and in aggregate under a scheme;
- b. the kind of benefits to be granted under this scheme;
- c. the conditions under which options, shares or other benefits as the case may be, may vest in employees and may lapse in case of termination of employment for misconduct;
- d. the schedule for Vesting of the Options granted to Employees;
- e. The price at which the Options are to be granted from time to time (which will be the Exercise Price for the options at a future date);
- f. the exercise period within which the employee can exercise the options and that options would lapse on failure to exercise the same within the exercise period;
- g. the specified time period within which the employee shall exercise the vested options or in the event of termination or resignation;
- h. the right of an employee to exercise all the options, as the case may be, vested in him at one time or at various points of time within the exercise period;
- i. the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, inter alia, be taken into consideration by the Board/ committee:
 - i. the number and price of options shall be adjusted in a manner such that total value to the employee of the options remains the same after the corporate action;
 - ii. the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the employee(s) who is granted such options;
- j. the grant, vesting and exercise of shares, options or in case of employees who are on long leave;
- k. eligibility to avail benefits under this scheme in case of employees who are on long leave;
- l. the procedure for funding the exercise of options;

- m. the procedure for buy-back of specified securities issued under relevant regulations, if to be undertaken at any time by the company, and the applicable terms and conditions, including:
- (i) permissible sources of financing for buy-back;
 - (ii) any minimum financial thresholds to be maintained by the company as per its last financial statements; and
 - (iii) limits upon quantum of specified securities that the company may buy-back in financial year.

For the purpose of this Clause, specified securities means as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

- n. Amend any terms and conditions of any Options granted under the Scheme to the extent it is not inconsistent with the terms of the Scheme and not prejudicial to the interest of the Option Grantee.
- o. frame suitable policies and procedures to ensure that there is no violation of securities laws including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time, by the trust, the company and its employees, as may be applicable.
- p. Approve forms, writings and/or agreements for use in pursuance of the Paras Defence ESOP 2024.
- q. Any other related or incidental matters.

Major details of the Paras Defence ESOP 2024 are as given below: -

a) Brief Description of the Paras Defence ESOP 2024 scheme is given as under:

‘Paras Defence and Space Technologies Limited - Employee Stock Option Plan 2024’ (“Paras Defence ESOP 2024”) has been formulated by the Company and to be implemented by its Board of Directors / Nomination & Remuneration Committee in terms of provisions of Companies Act, 2013 and rules made thereunder, Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws. The Paras Defence ESOP 2024 has been approved by the Board of Directors at their meeting held on August 27, 2024, subject to the approval of the members.

b) The total number of options to be offered and granted

The total number of Options that may, in the aggregate, be issued would be such number of Options which shall entitle the Option holders to acquire in one or more tranches upto 7,95,000

(Seven Lakhs Ninety Five Thousand) equity shares of ₹ 10/- (Rupees Ten) each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).

In case of any corporate action(s) such as rights issues, bonus issues, buy-back, scheme of arrangement, merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional equity shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling shares shall be deemed to be increased to the extent of such additional equity shares issued.

An Employee may surrender his/her vested / unvested options at any time during / post his employment with the company. Any employee willing to surrender his/her Options shall communicate the same to the Board of Directors or Committee of the Company in writing.

Vested Options lapsed due to non-exercise, surrender and/or unvested Options that gets cancelled due to resignation or any other separation conditions of Option grantees, surrendered or otherwise, would be available for being re-granted at a future date. The Board/ Committee is authorized to re-grant such lapsed / cancelled / surrendered options as per the provisions of Paras Defence ESOP 2024.

c) Identification of classes of employees entitled to participate and be beneficiaries in the Paras Defence ESOP 2024.

Following class / classes of employees are entitled to participate in Paras Defence ESOP 2024:

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (ii) a Director of the Company, whether a whole time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group, but excluding an independent Director; or
- (iii) an employee as defined in sub-clauses (i) or (ii), of a Group Company including Subsidiary or its Associate Company, in India or outside India, but does not include—
 - (a) an Employee who is a Promoter or a person belonging to the Promoter group; or
 - (b) a Director who, either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding equity Shares of the Company;

The class of Employees eligible for participating in the Paras Defence ESOP 2024 shall be determined on the basis of the grade, length of service, performance record, merit of the Employee, future potential contribution by the Employee, role assigned to the Employee and such other parameters as may be decided by the Board of Directors/ Nomination and Remuneration Committee of the Company in its sole discretion from time to time.

The Options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

d) Requirements of vesting and period of vesting

Vesting of Options may commence after a period of not less than 1 (one) year from the date of individual grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the Paras Defence ESOP 2024.

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising*:

Sr. No.	Separations	Vested Options	Unvested Options
1	Resignation	Subject to the terms and conditions, all Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day or before the expiry of the Exercise period, whichever is earlier.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	Termination (With cause like fraud, misconduct etc.)	All Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Termination (Without cause)	All Vested Options which were not exercised at the time of such termination may be exercised by the Option Grantee on or before his last working day or before the expiry of the Exercise period, whichever is earlier.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
4	Retirement or early Retirement approved by Company	All vested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.	All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.
5	Death	All Vested Options, granted under a Scheme to him/ her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominees of the deceased Employee, as the case may be and such Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 12 months from the date of Death.	All Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within 12 months from the date of Death.
6	Permanent Disability	All Vested Options, granted to him/her under a Scheme as on the date of permanent incapacitation shall vest in him/her on that day and such Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 12 months from the date of such disability.	All Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 12 months from the date of such disability.
7	Abandonment**	All the Vested Options shall stand cancelled.	All the Unvested Options shall stand cancelled.
8	Any other reason not specified above	The Committee or any other Board Committee as due authorized shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

*In case of any regulatory changes warranting any change in vesting schedule/ conditions/exercise period in any of the above separation conditions, the provisions of such change shall apply.

**The Board/Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned. Provided that, in accordance with Applicable Law, notwithstanding anything to the contrary contained herein, the Company shall not vary the terms of the Scheme in any manner which may be detrimental to the interests of the Employees.

e) Maximum period within which the options shall be vested

The maximum vesting period may extend up to 7 (Seven) years from the date of respective grant of Options, unless otherwise decided by the Board/ Nomination and Remuneration Committee.

The Board of Directors / Nomination and Remuneration Committee, shall have, subject to the applicable law (and subject to a minimum vesting period of 1 year) the right, to vest all or part of the Unvested Options in an accelerated manner from out of the options granted and outstanding to the employees.

f) Exercise price or pricing formula

Exercise Price means the price, if any, payable by an employee for exercising the option granted to such an employee in pursuance of Paras Defence ESOP 2024.

The Exercise Price shall be as may be decided by the Board/ Committee as is allowed under the Companies Act / SEBI (SBE and Sweat Equity) Regulations which in any case will not be lower than the face value of the equity shares of the Company on the date of such grant. Further the Exercise Price can be different for different set of Employees for Options granted on same / different dates. The same shall be subject to any fair and reasonable adjustments that may be made on account of corporate actions of the Company in order to comply with the applicable laws.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board / Committee may decide.

No amount shall be payable by the Option Grantee at the time of grant. Further, no amount paid/ payable by the Employee at the time of the grant, vesting or exercise of the Options, hence, no amount is required to be forfeited if the Employee does not exercise the same within the exercise period.

g) Exercise period and process of exercise

The exercise period shall not be more than 5 (Five) years from the date of respective vesting of Options. The Options granted may be exercised by the grantee at one time or at various points of time within the exercise period as determined by the Board of Directors/Committee from time to time.

The vested Options shall be exercisable by the Employees by a written application (or by electronic

means through a software) to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Board of Directors/ Nomination and Remuneration Committee from time to time. The Options shall lapse if not exercised within the specified exercise period. The Options may also lapse, under certain circumstances even before the expiry of the specified exercise period.

h) Appraisal Process for determining the eligibility of Employees to the Paras Defence ESOP 2024

The appraisal process for determining the eligibility of the Employee(s) will be specified by the Board of Directors / Nomination and Remuneration Committee and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/ or by any such criteria that may be determined by the Board of Directors/ Nomination and Remuneration Committee.

i) Maximum number of Options to be offered and issued per Employee and in the aggregate Paras Defence ESOP 2024

The maximum number of options to be granted per employee, per grant and in aggregate shall not exceed 7,95,000 (Seven Lakhs Ninety Five Thousand).

Further, the number of Options that may be granted to any identified Employee(s) of the Company or its Subsidiary Company(ies), Associate Company(ies), Group Company(ies) (in any one year under Paras Defence ESOP 2024 shall not be equal to or exceeding 1% of the Issued Capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Options, if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

j) Maximum quantum of benefits to be provided per Employee under the Paras Defence ESOP 2024

The maximum quantum of benefits shall refer to the maximum number of Options that may be granted to each per employee, per grant and in aggregate.

No benefit other than grant of Options under Paras Defence ESOP 2024, and any consequential grant of equity shares of the Company is contemplated under Paras Defence ESOP 2024. Therefore, the maximum quantum of benefits under Paras Defence ESOP 2024 is the difference between the market value of the equity shares of the Company, and the exercise price of the Options, as on the date of exercise.

k) Whether Paras Defence ESOP 2024 is to be implemented and administered directly by the Company or through a trust

The Paras Defence ESOP 2024 will be implemented directly by the Company under the guidance of the Board of Directors/ its Nomination and Remuneration Committee.

l) Whether Paras Defence ESOP 2024 involves new issue of shares by the Company or secondary acquisition by the trust

The Paras Defence ESOP 2024 will involve only new issue of shares by the Company.

m) The amount of loan to be provided for implementation of the Paras Defence ESOP 2024 by the Company to the trust, its tenure, utilization, repayment terms, etc.

Not Applicable.

n) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Paras Defence ESOP 2024

Not Applicable.

o) Disclosure and accounting policies

The Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options, including but not limited to SEBI (SBEB and Sweat Equity) Regulations as well as section 133 of the Companies Act, the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Regulatory authorities from time to time, including the disclosure requirements prescribed therein.

The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features/Scheme document of the Paras Defence ESOP 2024 in a format as prescribed under SEBI (SBEB and Sweat Equity) Regulations, 2021.

The Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under the Companies Act, 2013 read with rules made thereunder and under SEBI (SBEB and Sweat Equity) Regulations or any other Applicable Laws as in force.

p) Method of valuation of Options

The Company will follow IFRS/ IND AS/ any other requirements for accounting of the stock Options as are applicable to the Company for the same.

Since the Company opts for expensing of share based employee benefits using the fair value method, the following statement will not be applicable viz.

In case the Company opts for expensing of share based employee benefits using the intrinsic value intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Directors' Report.

q) Lock-in period, if any

The Shares issued upon exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such exercise. However, the Board or Committee as may be authorised by the Board may, in some cases, provide for lock-in of Shares issued upon exercise of Options, which shall be mentioned in grant letter issued to the Option Grantee.

Provided that the transferability of the Shares shall be subject to the restriction for such period in terms of the Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended from time to time or for such other period as may be stipulated from time to time in terms of Company's Code of Conduct for Prevention of Insider Trading, as and when these regulations applicable to the Company.

r) Terms & conditions for buyback, if any, of specified securities covered under the SEBI (SBEB and Sweat Equity) Regulations

The procedure for buy-back of specified securities issued under SEBI SBEB and Sweat Equity Regulations, if to be undertaken at any time by the company and the applicable terms and conditions, including:

- (i) permissible sources of financing for buy-back;
- (ii) any minimum financial thresholds to be maintained by the company as per its last financial statements; and

- (iii) limits upon quantum of specified securities that the company may buy-back in financial year.

For the purpose of this Clause, specified securities means as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

s) Rights of the Option holder

The Employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of the Option granted to him, till shares are allotted upon exercise of Option.

t) Consequence of failure to exercise Option

All unexercised Options shall lapse if not exercised on or before the exercised period ends.

Further, no amount paid/payable by the Employee at the time of the grant, vesting or exercise of the Options, hence, no amount is required to be forfeited if the Employee does not exercise the same within the exercise period.

u) Certificate from Secretarial Auditors

The Board of Directors shall at each annual general meeting place before the Members a certificate from the secretarial auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

v) Terms of the scheme:

- 1) The Company shall not vary the terms of the Paras Defence ESOP 2024 in any manner, which may be detrimental to the interests of the Option grantees: Provided that the Nomination and Remuneration Committee shall be entitled to vary the terms of the Paras Defence ESOP 2024 to meet any regulatory requirements without seeking shareholder's approval by special resolution in terms of regulation 7 of SEBI (SBEB and Sweat Equity) Regulations.
- 2) Subject to clause (a) of sub-rule (5) of Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and relevant regulation of SEBI (SBEB and Sweat Equity) Regulations, the Company may by special resolution in a general meeting vary the terms of the scheme offered pursuant to an

earlier resolution of the general body but not yet exercised by the Employee provided such variation is not prejudicial to the interests of the Option grantees.

- 3) The notice for passing special resolution for variation of terms of the Paras Defence ESOP 2024 scheme shall disclose full details of the variation, the rationale therefore and the details of the Option grantees who are beneficiaries of such variation.
- 4) The Company may re-price the Options as the case may be which are not exercised, whether or not they have been vested if the terms of the grants were rendered unattractive due to fall in the price of the shares in the stock market; provided that the Company ensures that such re-pricing shall not be detrimental to the interest of the Option grantees and approval of the Members in general meeting has been obtained for such re-pricing.

w) Transferability of Employee Stock Options:

- 1) The Options granted to an Employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.
- 2) In the event of resignation or termination of the Option grantee, all the Options which are granted and yet not vested as on that day shall lapse.
- 3) In the event that an Option grantee who has been granted benefits under a Paras Defence ESOP 2024 scheme is transferred or deputed to its Subsidiary Company(ies) or Associate Company(ies) or Group Company(ies) (present or future) prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed Employee, even after the transfer or deputation.

x) Other terms

The Board or Nomination and Remuneration Committee shall have the absolute authority to vary, modify or alter the terms of the Paras Defence ESOP 2024 in accordance with the Companies Act, 2013, as amended read with rules made thereunder, any regulations and guidelines as prescribed by



the SEBI or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option grantees.

The Board of Directors or Nomination and Remuneration Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the Paras Defence ESOP 2024, subject to compliance with the applicable laws and regulations.

The shares may be allotted directly to the Option grantees in accordance with the Paras Defence ESOP 2024 and such Paras Defence ESOP 2024 may also contain provisions for providing financial assistance to the Employees to enable the Employees to acquire or subscribe to the shares.

Consent of the members is sought pursuant to the provisions of section 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013, as amended and as per the requirement of regulation 6 of the SEBI (SBEB and Sweat Equity) Regulations.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. 11(A) and 11(B), except to the extent of their shareholding entitlements, if any, under the Paras Defence ESOP 2024 scheme.

Your directors recommend the Resolution set 11(A), and 11(B) of the Notice for approval by the Members as Special Resolution/s.

For and on behalf of the Board of Directors of
Paras Defence and Space Technologies Limited

Date: August 27, 2024

Place: Navi Mumbai **Jajvalya Raghavan**
Company Secretary and Compliance Officer

Registered Office:

D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai – 400706

Tel. No. +91-22-6919 9999

Fax No. +91-22-6919 9990

E-mail: business@parasdefence.com

Website: www.parasdefence.com

CIN: L29253MH2009PLC193352



"We *Believe*
that We *Can*"



**ANNUAL
REPORT**

2024

PARAS DEFENCE AND SPACE TECHNOLOGIES LTD.

Premier Indian Defence & Space Manufacturing Company



Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



Scan the QR Code to view the report online



To know more about the company please log on to <https://www.parasdefence.com>

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In order to succeed we must first believe that we can

At Paras, we have always believed that the stepping stone to success is to have the indomitable spirit to aim higher. Our four-decade-long legacy is a testament to our determination to offer a diverse range of solutions, all manufactured in India under one roof. Over the years, our manufacturing prowess and robust R&D capabilities have enabled us to steadily contribute to national security. We have positioned ourselves as a leading player in India's defence and space landscape, synergising manufacturing excellence and robust innovation capabilities.

Our expertise in defence engineering has empowered us to deliver solutions that have set new industry benchmarks and supported India's growth. With the government sharpening its focus on space and defence budgets, we are now firmly positioned to contribute to a self-reliant and resilient Bharat. India has over the years, bolstered its defence capabilities while simultaneously reducing its reliance on imports and at Paras, we have been at the forefront of innovation to meet the demands of this rapidly evolving

industry; and have taken significant strides to position India as a net exporter of defence equipment.

Looking ahead, our prospects remain promising. By leveraging favourable government policies and executing targeted strategies considering the present geopolitical scenario, we are prepared to lead indigenisation in the domestic defence and space sectors. Our journey thus far has already laid the foundation for our long-term growth and with a

diversified portfolio, we are now geared to transition to our next orbit of growth.

India is poised for rapid expansion in the upcoming years and it is our responsibility to deliver quality products at the right time at the most affordable price. With eyes set on the future and a heart filled with the zeal to serve our nation, we believe that we can sustain our position as one of the leading players in India's defence and space sector.

Building Aatmanirbhar Bharat

Paras Defence and Space Technologies ('Paras') is a leading Tier 2 engineering company in India's defence and space sectors, offering an extensive range of indigenously designed, developed and manufactured (IDDM) products and solutions.

With over 40 years of expertise, a persistent focus on R&D, coupled with state-of-the-art manufacturing, has positioned us as a key player in technologies spanning missiles, space research, naval systems and more.

Our advanced facilities and a skilled workforce enable us to deliver turnkey solutions, ensuring quality and precision. Our customer-centric approach and strong ethical foundation make us a reliable partner in the industry.



Our Mission

Our mission is to excel in customer satisfaction by delivering innovative and cutting-edge technological solutions, setting a benchmark for excellence in the industry



Our Vision

We aim to be the trusted companion for our stakeholders, wholeheartedly dedicated to achieving sustainable business growth together



Fundamentals



Create-Ideate-Innovate



Right Quality at the right time



Best resources in the right direction



Our application areas



Rocket and Missiles



Electronic Warfare and Surveillance



Battle Tanks and Armoured Vehicles



Naval Systems



Electro Magnetic Shielding



Space Imaging Systems



Space Research



Drone Technologies



40+

Years of experience

50+

Active projects

40+

No. of products

2

Key product verticals

600+

Active workforce

₹ 253.5 Crore

Revenue

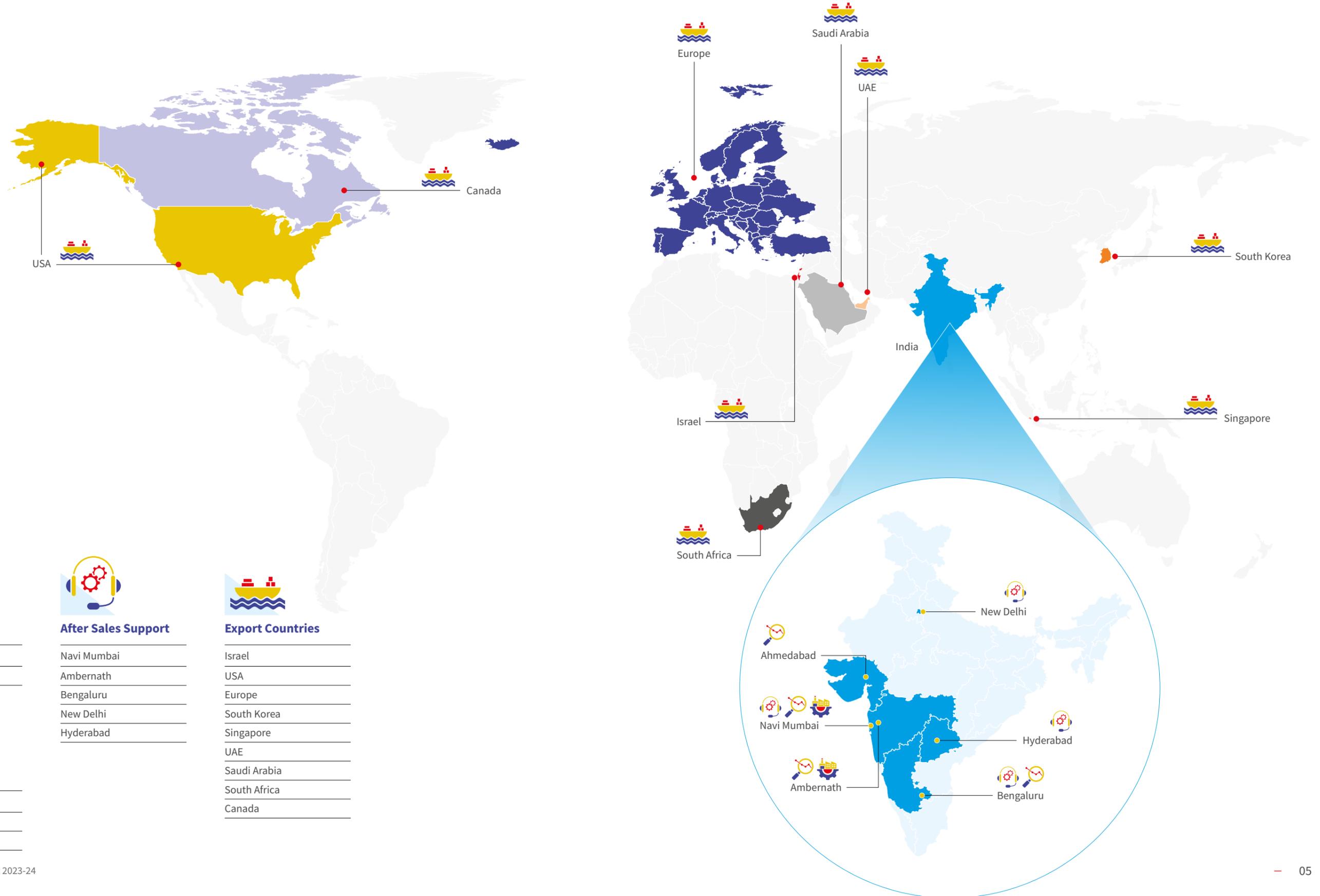
₹ 30.04 Crore

PAT

₹ 51.05 Crore

EBITDA

Strengthening Capabilities across Geographies



Manufacturing

- Navi Mumbai
- Ambernath



After Sales Support

- Navi Mumbai
- Ambernath
- Bengaluru
- New Delhi
- Hyderabad



Export Countries

- Israel
- USA
- Europe
- South Korea
- Singapore
- UAE
- Saudi Arabia
- South Africa
- Canada



R&D

- Navi Mumbai
- Bengaluru
- Ahmedabad

Message from the Chairman



We are committed to increasing our participation in high-value projects while exploring new avenues for collaboration, both domestically and globally.



Sharad Virji Shah
Chairman

Dear Shareholder

As you must be aware, the past few years have witnessed heightened geopolitical conflicts across various parts of the world. This widespread uncertainty has prompted governments globally to strengthen their defence frameworks, resulting in higher defence spending.

In India, as well, the Government has subsequently raised the defence allocation to position the country as a net exporter of defence equipment. There has also been enhanced emphasis on the aerospace sector.

Both the defence and aerospace sectors continue to demonstrate resilience and growth potential, driven by increasing government investments and a heightened focus on technology-backed innovation. In India, initiatives to foster self-reliance in critical sectors, such as defence and space technology, are gaining momentum. This development aligns well with our strategic objectives and positions us favourably for the future.

Technological advancements and geopolitical considerations are shaping the global defence industry with governments prioritising it for ensuring national security and technological superiority. India's efforts to reduce dependency on imports and foster indigenous capabilities present a compelling opportunity for companies like ours, dedicated to pioneering advanced defence and aerospace solutions.

At Paras Defence, we are focused on innovation and excellence to drive our long-term growth. We benefit from diversified revenue streams, with a significant contribution from the defence engineering vertical and continued growth in optics and optronic systems, both of which provide a solid foundation for our sustained success.

Also, I would like to state that our emphasis remains on delivering high-complexity, high-value products, catering to niche markets with limited competition. Our work on sophisticated systems, such as submarine periscopes, hyperspectral imaging cameras and EOI cameras for tanks and UAV platforms, exemplifies our competitive edge when it comes to meeting the evolving needs of the defence sector. We are extremely bullish on our anti-drone systems, which are among the most cutting-edge in the market, including anti-drone jamming systems, anti-drone detection systems and more. These systems have not only great domestic potential but also considerable export opportunities. We aim to become the leading anti-drone company in India, leveraging our technological capabilities to tap into this growing market. Moreover, we are exploring opportunities in space programmes and emerging technologies like quantum computing.

Central to our growth strategy is R&D. The new manufacturing license will enable us to advance our R&D efforts, foster focused innovation and create top-notch electro-optic products for both domestic and international markets. By diving deeper into indigenisation and collaborating closely with partners such as the Defence Research and Development Organisation (DRDO), we are not only strengthening our technological capabilities but also contributing to Aatmanirbhar Bharat.

We are now transitioning from a component-based business model to a project and product-based approach, which will enable us to deliver greater value to our stakeholders. This shift is expected to improve profit margins over time, particularly as the Indian defence and space sectors continue to focus on boosting manufacturing and exports.

The strong growth in our order book, which has more than doubled year on year, looking ahead, we are optimistic about the

future. We are committed to increasing our participation in high-value projects while exploring new avenues for collaboration, both domestically and globally.



We are now transitioning from a component-based business model to a project and product-based approach, which will enable us to deliver greater value to our stakeholders. This shift is expected to improve profit margins over time, particularly as the Indian defence and space sectors continue to focus on boosting manufacturing and exports.



I would like to conclude by expressing my sincere gratitude to our partners, team members and stakeholders for their cooperation. At Paras Defence, we believe that we can continue to innovate, excel and lead the way in the domestic defence and aerospace sectors, ensuring that we remain at the forefront of industry transformation.

Thank you for being a part of our journey so far.

Yours sincerely,

Sharad Virji Shah
Chairman

Message from the Managing Director



At Paras Defence, we are uniquely positioned to harness these opportunities, leveraging our longstanding expertise and innovative capabilities to drive our growth and deliver exceptional value to our stakeholders.

Munjal Sharad Shah
Managing Director

Dear Shareholder

As I address you for the FY 2023-24 annual report, I am both honoured and excited to share the progress and future outlook of our esteemed organization. The Indian defence industry is undergoing a transformative phase, driven by a robust push towards self-reliance and indigenous production.

At Paras Defence, we are uniquely positioned to harness these opportunities, leveraging our longstanding expertise and innovative capabilities to drive our growth and deliver exceptional value to our stakeholders.

The Indian defence sector has seen significant momentum recently, buoyed by the government's emphasis on self-reliance and indigenisation. This policy shift is creating fertile ground for domestic defence companies to expand their operations and contribute to national security. Notably, the Ministry of Defence has set ambitious targets for military exports, aiming for ₹ 500 billion annually. This commitment to advancing 'Make in India' initiatives and accelerating indigenous defence projects

is expected to catalyse substantial growth in the sector. The record achievement of ₹ 210.8 billion in defence exports for FY 24 highlights the sector's dynamic progress and presents an expansive opportunity for companies like ours.

Paras Defence stands at the forefront of this growth, distinguished by our Indigenously Designed, Developed, and Manufactured (IDDM) capabilities. With over four decades of expertise, we operate across two pivotal segments – Optics and Optronics Systems & Defence Engineering. We are scaling up our exclusive positioning of being an Optics Manufacturer to the only Indian Company in the whole of Asia-Pacific to manufacture Optronics Systems such as submarine periscopes.

Financial Performance and Operational Achievements

Our financial performance for the fiscal year 2023-24 underscores our strong operational execution and strategic positioning. We achieved revenue from operations of ₹253.5 crores, marking an increase from ₹ 222.4 crores in the previous year. The result for EBITDA and the bottom line has been modest with EBITDA coming at ₹ 51.05 crores and PAT at ₹ 30.04 crores. We are optimistic about our future performance as we have invested into exceptional manpower which will yield results in the coming fiscal year and beyond. Also, our promising subsidiaries will start contributing to the revenue and profitability of the Company. The Defence Engineering segment contributed 73% of our total revenue, while Optics and Optronics Systems accounted for 27%. Our order book has nearly doubled, reaching ₹ 630 crores compared to ₹ 393 crores in FY 23, reflecting our expanding market presence and increasing demand for our offerings.

Our recent success in securing a ₹ 53 crore order from the Defence Ministry for supplying Optronic Periscopes highlights our capability to deliver critical defence solutions. This contract, awarded by the Instrument Research and Development Establishment (IRDE) under the Defence Research and Development Organisation (DRDO), is set to enhance our standing in the defence sector and demonstrates our ongoing commitment to supporting national security.

Growth Opportunities and Strategic Focus

The global counter UAS market, valued at over \$1.20 billion, is projected to grow at a compound annual growth rate (CAGR) of 6.99% by 2034. Thus, our Anti-Drone subsidiary is well-positioned to leverage this growth.

Moreover, our exclusive role as the optics and optical systems supplier to the Indian Space Research Organisation (ISRO) underpins our significant contribution to the space and defence sectors. We anticipate that our optics and optronic systems business, which currently contributes a considerable chunk of our revenues, will continue to be a major growth driver.

Our commitment to maintaining a leadership position in optics and optronics is complemented by our efforts in the Electromagnetic Pulse Protection segment, where we face limited competition. The ongoing push for indigenisation in the defence and space sectors amplifies the opportunity size for the company.

Future Outlook and Strategic Initiatives

Looking forward, Paras Defence is poised to maintain its growth trajectory and capitalise

The government's 'Make in India' initiative provides a favourable environment for continued revenue generation and operational expansion. As we navigate this dynamic landscape, we remain committed to delivering excellence in all aspects of our business and maintaining our position as a leader in the Indian defence and space sectors.

on the burgeoning opportunities within the defence and space sectors. Our strategic initiatives include focusing on high-growth areas such as optronics systems and counter UAS while continuing to strengthen our core capabilities in defence engineering and electromagnetic protection. We aim to achieve a revenue growth rate of 25-30% and maintain sustainable margins at current levels, supported by our innovative product offerings and expanding market presence.

The government's 'Make in India' initiative provides a favourable environment for continued revenue generation and operational expansion. As we navigate this dynamic landscape, we remain committed to delivering excellence in all aspects of our business and maintaining our position as a leader in the Indian defence and space sectors.

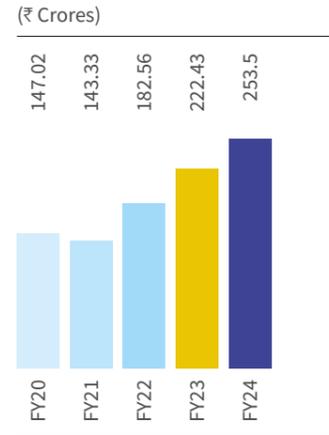
In conclusion, I extend my deepest gratitude to our shareholders for your support and trust in Paras Defence and Space Technologies Limited. With a clear strategic focus and a dedication to innovation, we are well-positioned to drive growth and deliver substantial value to our stakeholders.

Yours sincerely,

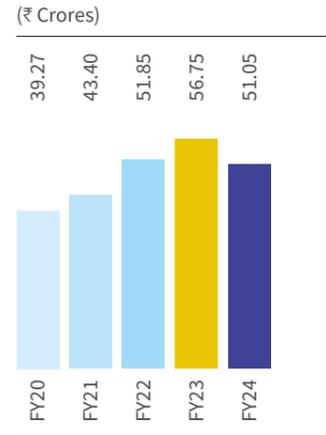
Munjal Sharad Shah
Managing Director

Measuring our Financial Progress

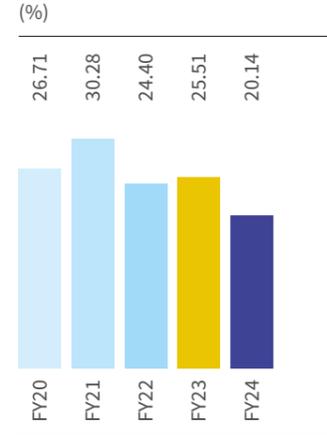
Revenue from Operations



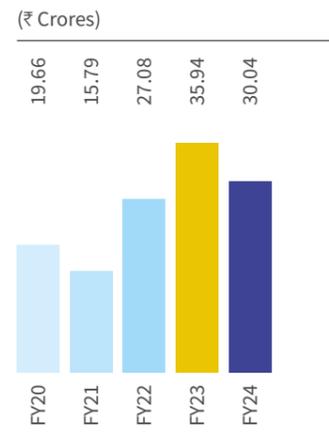
EBIDTA



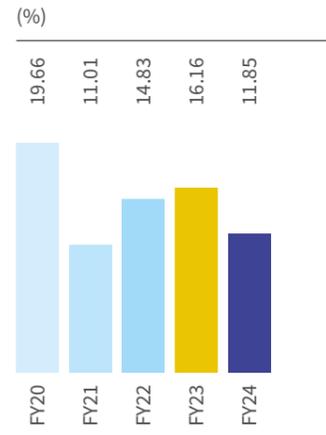
EBIDTA Margin



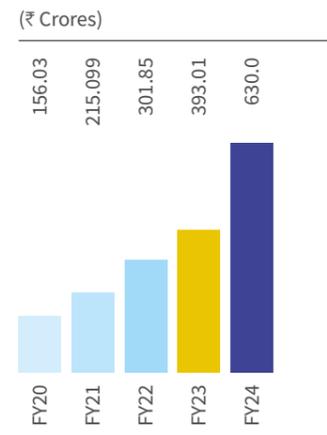
PAT



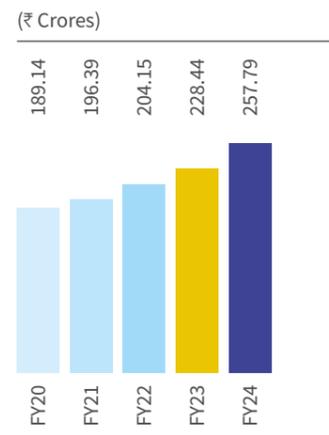
PAT Margin



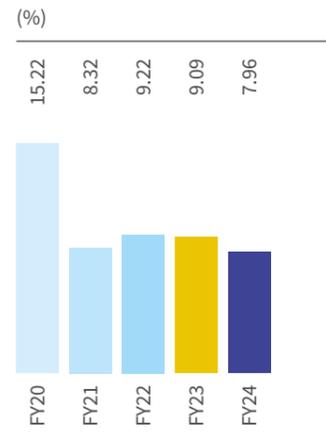
Order Book



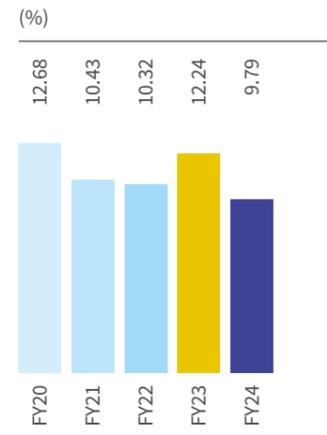
Gross Assets



Return on Equity



Return on Capital Employed



Delivering only the Finest to a Global Clientele

Wide Customer Base

Government Customers				
Indian Ordnance Factories	Defence R&D Organisation	Bharat Electronics	ISRO	Goa Shipyard Limited
Mazagon Dock Limited	Hindustan Shipyard Limited	Garden Reach Shipbuilders & Engineers Ltd.	Cochin Shipyard Limited	BrahMos Aerospace Pvt. Ltd.
Bharat Dynamics Ltd	Department of Atomic Energy	Electronics Corporation of India Ltd	Society for Applied Microwave Electronics Engineering & Research	CSIR-National Aerospace Laboratories
National Physical Laboratory of India	Indian Institute of Astrophysics	Hindustan Aeronautics Limited		
Private Customers				
Godrej & Boyce Mfg. Co. Ltd.	Tata Power	Larsen & Toubro	Kirloskar Brothers Ltd.	Tata Consultancy Services
Alpha Design Technologies Pvt. Ltd.	Astra Rafael Comsys Pvt. Ltd.	Solar Industries India Ltd.	Premier Explosives Limited	Tonbo Imaging
International Customers				
Rafael Advanced Defence Systems Ltd.	Israel Aerospace Industries	Elbit Systems	Controp	Singapore Electronics
Tae Young Optics Ltd.	Chaban Group			

Strengths that Propel us Forward

Expertise in defence and space sectors

We possess extensive domain expertise within the defence and space sectors. This enables us to understand and address the unique and complex demands of these industries. Our industry know-how ensures that we consistently deliver solutions that meet the rigorous standards set forth by our clients.

A leading supplier of space applications

We hold the distinction of being the sole Indian supplier of critical imaging components for space applications. Our products, such as large-size optics and diffractive gratings, are vital to space missions, reinforcing our position as a key contributor to national space programmes.

Proven import substitution expertise

With over four decades of experience, we have gained extensive experience in import substitution. Our expertise allows us to provide one-stop solutions for Defence Engineering needs, reducing dependence on foreign suppliers and supporting the development of indigenous capabilities.

State-of-the-art manufacturing capabilities

Our manufacturing facilities are equipped with cutting-edge technologies, including a one-of-its-kind Nano-Machining setup, CNC Machining, Optical Coatings and Certified Electronic Assembly. This advanced infrastructure helps us produce high-quality components, ensuring excellence in every product we deliver.

Strong Indigenous Designed, Developed and Manufactured (IDDM) capabilities

As a true IDDM company, our projects are entirely designed, developed and manufactured in India. This approach not only enhances self-reliance but also ensures that our solutions are tailored to meet national requirements.

Proficient in managing turnkey projects of all sizes

Our resources and infrastructure are designed to be scalable, enabling us to efficiently manage turnkey projects of varying sizes. Whether dealing with small, medium, or large-scale projects, our capabilities ensure that we consistently deliver with precision and reliability.



Business Segments in Focus

Our business segments include advanced Optics and Optronic Systems as well as Defence Engineering solutions. These verticals showcase our leadership in innovation, delivering cutting-edge technologies and comprehensive solutions for defence, space and commercial sectors, focused on quality, indigenous development and sustainable growth.



Optics and Optronic Systems



Optronic Systems

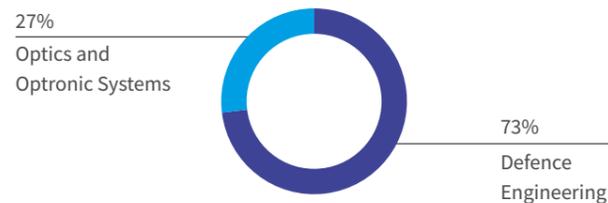


Optical Assemblies



Optical Components

Segment-wise revenue %



Defence Engineering



Defence Electronics

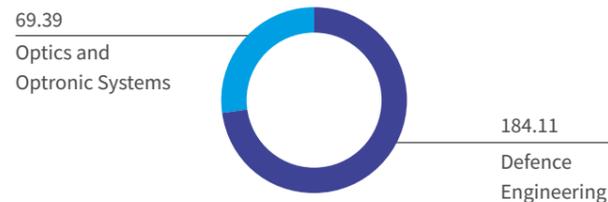


EMP Protection Solutions



Heavy Engineering

Segment-wise revenue (₹ Crore)



Optics and Optronic Systems

Products and Solutions

At Paras, we are at the forefront of developing advanced optical and optronic systems, fortifying our position as a leader in the Asia-Pacific region. With a consistent emphasis on innovation and self-reliance, we have pioneered several cutting-edge technologies across multiple sectors, including defence & space applications.

Submarine Optronic Periscopes

We are the only private Indian company in the entire Asia-Pacific region that has successfully built a turnkey optronic periscope for submarine applications. Our current projects include the construction of six indigenous optical and optronic variants, with a projected requirement of over 15 units in the next three years. We anticipate refurbishing more than 10 systems for older platforms over the next two years. This presents a significant business opportunity in new platforms, refurbished systems, repairs and export possibilities.

Hyperspectral Imaging Systems for Space

As the only private company in India to develop and deliver hyperspectral imaging opto-mechanical systems, we are currently working on a full hyperspectral camera for defence and space applications. This mission is scheduled for deployment before September 2024. Our collaboration extends to 24 non-ISRO missions for their hyperspectral payload development, showcasing our capabilities in cutting-edge space technology.

Hyperspectral Imaging Systems for Non-Space Applications

We also lead the Indian market in developing hyperspectral imaging systems for non-space applications. These systems, entirely designed and developed in-house, are poised to revolutionise imaging technology. With potential requirements exceeding 10,000 units in India alone, these systems have broad applications across sectors such as defence, medical, agriculture, botany and food safety.

EO/IR Products by Controp

In collaboration with Controp, we will be manufacturing EO/IR products under the 'Make in India' initiative. These products will be developed with a high level of indigenous content, reinforcing self-reliance and advanced manufacturing capabilities.

IR Lenses

Optical components used in thermal imaging cameras and night vision devices

Large-Size Space Mirrors

Large mirrors are used in space telescopes for various applications

Metal Mirrors

Made from aluminium, these mirrors offer a highly reflective surface for long-range imaging

Diffractive Grating

An essential optical element in hyper-spectral imagers used in space

Optical Domes

Optical elements used in missiles, aiding in efficient target sighting.

Opto-Mechanical Assemblies

Precision optics assembled with precision mechanical components.

25HD

iSea

30HD

iSea

50HD

iSea

50HD

iSky

30HD

iSky

10E

SIGHT

Defence Engineering

Products and Solutions

We continue to drive innovation across various defence and security sectors, consistently delivering advanced solutions tailored to meet the evolving needs of both domestic and global markets. From sophisticated avionics systems to cutting-edge electromagnetic pulse protection, our comprehensive product offerings are designed with a focus on quality, indigenous development and harnessing long-term business potential.

Saras MK-II

We are executing a contract for the complete glass cockpit, avionic suite, and autopilot systems for the Saras MK-II program. Partnering with the best in the industry, we aim to fulfill a significant demand of over 133 units within the next 5 to 7 years. Our goal is to increase indigenous content in line with the 'Make in India' initiative, with long-term business prospects extending beyond the Saras MK-II platform.

Electro-Magnetic Pulse Protection Solutions

As the only Indian company offering turnkey Electro-Magnetic Pulse (EMP) Protection Solutions, we have developed these systems entirely in-house. EMP is poised to be a critical aspect of future warfare, driving an exponential increase in protection requirements across defence, security, banking, IT and communications sectors. This will present us with vast business opportunities as demand continues to grow.

Shielded Chambers (Anechoic/Semi-Anechoic)

We provide turnkey shielded chambers, including anechoic and semi-anechoic types, known for their world-class quality and performance. These chambers are essential for ensuring high-level electromagnetic compatibility and are designed to meet the most stringent international standards.

Remotely Controlled Border Defence System

It is the state-of-the-art Border Defence System comprising of Surveillance Station, Control System and Weapon Station designed to prevent the soldiers from facing the bullets across the borders, providing highly accurate positioning system along with precise and dependable control from remote location.

Defence Engineering: Products & Solutions (Electronics)

Control Systems

Military-grade control systems with embedded computing algorithms

Command and Control Consoles

Turnkey command and control consoles, from design to installation at sites

Rugged Computing System

High-performance embedded computing servers designed for harsh environments

Rugged Displays

Military-grade displays qualified for MIL-810, MIL-167, MIL-901, MIL-461, and EMP standards

Rugged COTS Systems

Ruggedised commercial systems that meet stringent environmental standards

Sensors

Non-contact electro-mechanical devices that provide precise proximity sensing.

Defence Engineering: Products and Solutions (EMP)

EMP Protected Areas

EMP-protected work centres, data centres, control rooms, command centres and more

EMP Filters

EMP filters for power and data, compliant with MIL-188-125 and MIL-Std-220C

EMP Racks and Cabinets

Compact cabinets with high-performance EMP protection, providing shielding effectiveness (SE) of over 100dB

Shielded Doors

Doors offering electromagnetic shielding with a protection level of 100+ dB

Airvents and Waveguides

Waveguides, air vents, windows and penetration panels for total protection

Onsite Installation

Comprehensive onsite installation by an all-Indian team for strategic locations

Defence Engineering: Products and Solutions (Mechanical)

Flowformed Tubes

Seamless cold-formed tubes capable of withstanding high pressure, suitable for rockets and missiles

Cold Plates

AL-AL vacuum-brazed cold plates designed for active array radar cooling requirements

Titanium and Special Metal Manufacturing

High-precision manufacturing of titanium, AL-bronze and alloy steel

Large Dynamic Platforms

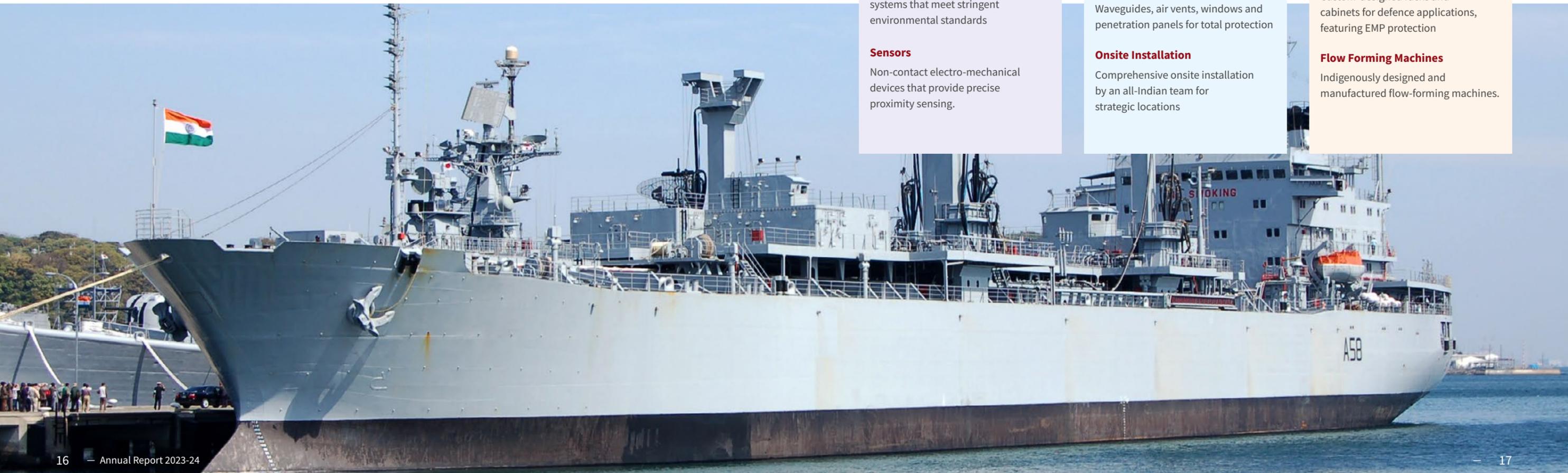
Heavy structures with automation, offering high movement and positional accuracy

Racks and Cabinets

Custom-designed racks and cabinets for defence applications, featuring EMP protection

Flow Forming Machines

Indigenously designed and manufactured flow-forming machines.



R&D-backed Offerings

Our R&D efforts are focused on creating innovative products and solutions, as well as enhancing our processes and product quality. With most of our products designed, developed and manufactured in India, our emphasis on technology development and R&D distinguishes us as a prominent IDDM company.

100+

R&D Team Members

Quick fact

We have recently secured patents for our EMP Protected Rugged Display, Shock/Vibration Proof Heavy Duty Console and Electromagnetic Pulse Protected Rack.

Certifications and Recognitions



Our R&D capabilities

 Optronic System Design	 Opti-Mechanical Designs	 Optical Designs
 Electronic System Designs	 Embedded Electronic Designs	 Software Development
 Electromagnetic Protection Design	 RF, Microwave, Antenna Designs	 Mechanical Design and Analysis



Manufacturing Prowess Fuelling Ambitions

Our cutting-edge manufacturing facilities enable us to produce a wide array of products, giving us the flexibility to meet evolving market demands and avoid reliance on any single product category. We design, develop, produce and test tailored solutions for defence and space applications, meeting specific customer requirements.

₹ **22.47** **Crore**

Capex (Plant and Machinery)

	Diamond Turning Machines
	Flow Forming Machines
	CNC Grinding and Polishing
	CNC Machine Workshop
	Complete Optical Coating Setup (Including DLC)
	Wiring and Cable Harnessing
	System Harnessing
	Testing and Validation Setup



Our manufacturing facilities

Ambernath (Thane, Maharashtra)

The facility specialises in manufacturing heavy engineering products, large and complex dynamic structures and mechanical system integration, along with providing testing capabilities.

2009

Year of commissioning

Nerul (Navi Mumbai, Maharashtra)

Our manufacturing unit in Nerul is a state-of-the-art nanotechnology machining centre dedicated to producing high-quality optics and ultra-precision components. This facility encompasses optics, optomechanical integration, electronics design and engineering, as well as system integration.

2005

Year of commissioning

Manufacturing Excellence

By effectively leveraging a reliable supply chain, dedicated facilities and rigorous quality control, we achieve high efficiency and scalability. Our focus on product excellence and continuous refinement of practices helps us stay aligned with emerging technologies and global standards, ensuring high customer satisfaction and responsiveness to industry trends.

Quality and safety

Across all our production processes, we prioritise product quality and safety, understanding that both are essential for sustainable and profitable business growth while meeting customer needs. Our quality management system is ISO 9001:2015 certified and our Nerul facility has achieved AS9100D accreditation. DSIR has recognised and registered our R&D centre in Nerul. We are dedicated to continuously enhancing our systems and safety practices to stay aligned with emerging technologies and evolving national and international standards.

Creating Superior Value through our Subsidiaries

Paras Aerospace Private Limited

Paras Aerospace is involved in drones, drone services and associated technologies. With exclusive offerings, the company is well-positioned to become a significant player in its operating sector. Paras Aerospace delivers innovative and efficient aerial platforms for military, industrial and agricultural applications, enhancing productivity, safety, and precision across various domains.

Innovative Drone Management Solutions

Specialises in autonomous surveillance, vision-enabled systems, drone safety features and offers comprehensive maintenance, repair and overhaul services.

Comprehensive Drone Services

Paras Aerospace supports agricultural and industrial operations, infrastructure projects and GIS (Geographic Information Systems) engineering, while also providing specialised training for drone technology.

Certified Agri-Drone: Paras Agri Copter

The Paras Agri Copter, a DGCA-certified agricultural drone, features a 4-nozzle design for perfect atomisation, dual antennas for precise directional information and intelligent autonomous flight capabilities.



Paras Anti-Drone Technologies Private Limited

Specialises in world-class RF and Microwave solutions, offering products such as jammers, Software Defined Radios (SDRs) and detection systems to counter drone threats, ensuring safety and security across various environments.

Paras Anti-Drone aims to become the No. 1 Anti-Drone Company in India by FY 2026-27

Paras Anti-Drone Products

- Drone jammer gun
- Portable and low-cost Anti-Drone system
- Drone detection and jamming system

Diverse Applications

Anti-drone technologies address critical needs, including border security, mass events, VIP protection, maritime safety and military applications, providing robust solutions for a variety of high-stakes environments.

Significant Achievement

Paras Anti-Drone has won a contract with Europe's leading anti-drone company, CerbAir, to develop next-generation jammers, marking a major advance in our technology and global security solutions.

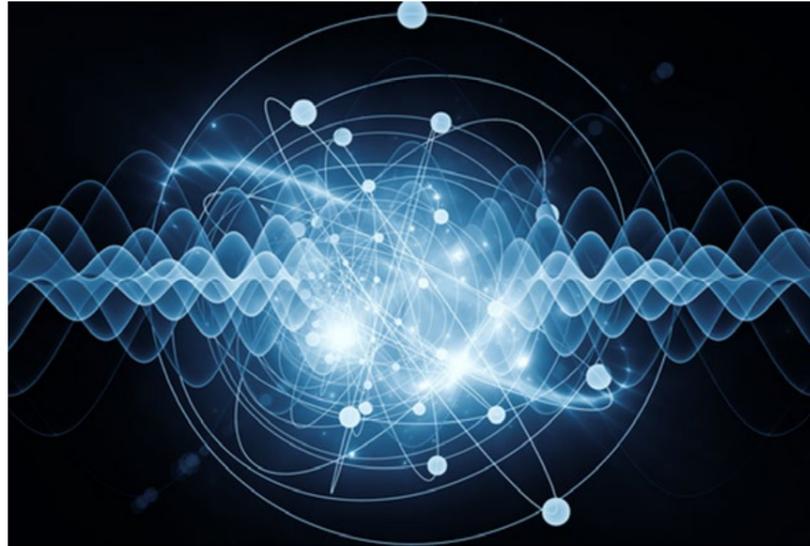
Development Opportunities

Focusing on RF and microwave advancements, antenna design, radar excitors and Software Radios (SDRs), driving innovation and maintaining leadership in cutting-edge defence technology.



Quantico Technologies Private Limited

Develop advanced technologies and systems in quantum communication and quantum sensing enabling secure data transmission and ensuring confidentiality and integrity for sensitive information.



Paras Green UAV Private Limited

Strives to lead in next-generation drone technology and associated services, providing cutting-edge solutions for agricultural applications.



Opel Technologies Pte. Ltd.

Provides supply chain solutions to Paras and our customers, ensuring smooth and reliable delivery of products and services, optimising logistics and reducing costs.

Ayatti Innovative Private Limited

Specialises in mechanical systems for railways and non-defence applications, expanding our reach beyond the defence sector and contributing to the development of infrastructure and transportation systems.



MechTech Thermal Private Limited

Provides thermal solutions for space and defence applications, ensuring reliable performance in challenging environments and enabling advanced systems to function effectively.

Teams Who make us Believe that We Can

Our success is deeply rooted in the expertise and dedication of our diverse talent pool. Over the years, we have nurtured a formidable workforce, equipped with robust capabilities in engineering, innovation and high-end technology management, ensuring that we consistently deliver superior outcomes. At present, we are intensifying our efforts to create a work environment where our team members can prosper, supported by an exposure to advanced technologies that drive our progress.

600+

Employee strength



employee engagement extends beyond the professional sphere, with initiatives that offer personal and financial support as and when required.

Diversity and inclusion

Diversity is a key driver of innovation and success within our organisation. We attract talent from across the country, drawing on our presence in four states to build a competent workforce that reflects a wide range of perspectives and expertise. The inclusion is further strengthened by our practice of positioning our people as our true brand ambassadors, fostering a culture of internal collaboration and consistent improvement.

Employee health and safety

Ensuring the well-being of our people is our foremost priority. To this end, we adhere to rigorous health and safety protocols. Our efforts also include conducting regular safety drills and health check-ups to maintain a secure work environment. This focus on employee health and safety is a fundamental part of our commitment to creating a workplace where employees can deliver their best, both professionally and personally.

Learning and development

Our niche position in the technology domain demands a high level of technical proficiency. To address these needs, we prioritise not only skills and experience but also a positive attitude and steadfast integrity. We are committed to attracting and retaining individuals who embody these values, ensuring that our workforce remains our greatest strength.

We recognise that ongoing learning is essential to sustaining our competitive edge. To this end, we offer structured training and development programmes that enhance the technical and professional skills of our personnel. Regular training sessions and on-the-job experiences are designed to build competencies in emerging technologies, empowering our team to excel in their respective roles.

Employee engagement

We believe that collaboration is key to a dynamic workplace; hence, it is our ongoing endeavour to ensure that our people feel valued and supported since day one. By

facilitating direct access to management and encouraging open communication, we make sure that our team members are fully engaged and equipped to contribute to our shared objectives. Our approach to



Board of Directors & KMP



Sharad Virji Shah
Chairman and
Non-Executive Director



Munjal Sharad Shah
Managing Director



Shilpa Amit Mahajan
Whole-Time Director



Manmohan Handa
Independent Director



Suresh Katyal
Independent Director



Dr. Hina Amol Gokhale
Independent Director



**Harsh Dharendra
Bhansali**
Chief Financial Officer



Jajvalya Raghavan
Company Secretary and
Compliance Officer

Top Management



Anish Hemant Mehta
Director - Business Development



Amit Navin Mahajan
Director - Technical and R&D



Ami Munjal Shah
V.P. - HR

Team of Experts



R. Rajagopal
Sr. Vice President



N. Saravanan
Sr. Vice President



K. Natarajan
Sr. Vice President



Dr. Padmanabham
Sr. Vice President



G. S. Ravichandar
Sr. Vice President



D. Ramakantha
General Manager



A. R. Bodhe
Industry Expert

India's Best Optics Team



Krishna Murthy
Ex-ISRO



C.P. Dewan
Ex-ISRO



K.R. Murali
Ex-ISRO



MV Rajashekhar
Sr. Vice President



Bharat Yelkur
Sr. Vice President



S. Somashaker
Ex-ISRO



Corporate Information

BOARD OF DIRECTORS

Sharad Virji Shah

Chairman & Non-Executive Non-Independent Director

Munjal Sharad Shah

Managing Director

Shilpa Amit Mahajan

Whole-Time Director

Manmohan Handa

Non-Executive Independent Director

Hina Amol Gokhale

Non-Executive Independent Director

Suresh Katyal

Non-Executive Independent Director

Harsh Dharendra Bhansali

Chief Financial Officer

Jajvalya Raghavan

Company Secretary and Compliance Officer

AUDITORS

M/s. Chaturvedi & Shah LLP, Chartered Accountants

Statutory Auditors

M/s. Shaparia Mehta & Associates LLP, Chartered Accountants

Internal Auditors

M/s. Dinesh Jain & Company, Cost Accountants

Cost Auditors

M/s. DM & Associates Company Secretaries LLP

Secretarial Auditors

BANKERS

Kotak Mahindra Bank Limited

NKGSB Co-operative Bank Limited

ICICI Bank Limited

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited

C 101, 247 Park, LBS Rd, Surya Nagar,

Gandhi Nagar, Vikhroli West, Mumbai – 400 083

Tel. No. 022-4918 6000

Fax No. +91 022- 49186060

E-mail: demat@linkintime.co.in

COMMITTEES OF BOARD

Audit Committee

Manmohan Handa Chairman

Suresh Katyal Member

Munjal Sharad Shah Member

Nomination and Remuneration Committee

Manmohan Handa Chairman

Suresh Katyal Member

Sharad Virji Shah Member

Corporate Social Responsibility Committee

Munjal Sharad Shah Chairman

Hina Amol Gokhale Member

Manmohan Handa Member

Stakeholders Relationship Committee

Manmohan Handa Chairman

Munjal Sharad Shah Member

Suresh Katyal Member

Risk Management Committee

Sharad Virji Shah Chairman

Munjal Sharad Shah Member

Shilpa Amit Mahajan Member

Manmohan Handa Member

REGISTERED OFFICE AND CORPORATE OFFICE

D-112, TTC Industrial Area, MIDC,

Nerul, Navi Mumbai – 400706

Tel. No. +91-22-6919 9999

Fax No. +91-22-6919 9990

E-mail: business@parasdefence.com

Website: www.parasdefence.com

CIN: L29253MH2009PLC193352

FACTORY

M-6, Addl. MIDC, Ambernath (E), Thane - 421506

Tel. No. +91-251-2620333

Fax No. +91-251-2621222

REGIONAL OFFICE

No. 1, 9th Cross, 9th Main, Malleshwaram,

Bengaluru-560003

Tel. No. +91-80-23464139

Fax No. +91-80-23464142

Notice of 15th Annual General Meeting

NOTICE is hereby given that the 15th (Fifteenth) Annual General Meeting of the Members of **Paras Defence and Space Technologies Limited** will be held on Friday, September 20, 2024 at 12:30 p.m. (IST) through Video Conferencing (“VC”) or Other Audio-Visual means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

1. ADOPTION OF ANNUAL AUDITED FINANCIAL STATEMENTS

- (a) To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2024 together with the Reports of the Board of Directors and the Auditors thereon;
- (b) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024 together with the Reports of Auditors thereon;

2. RE-APPOINTMENT OF DIRECTOR WHO RETIRES BY ROTATION

To re-appoint Mr. Munjal Sharad Shah (DIN: 01080863), who retires by rotation, and being eligible, has offered himself for reappointment.

SPECIAL BUSINESS

3. RATIFICATION OF REMUNERATION OF COST AUDITORS

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. Dinesh Jain & Co., Cost Accountants having Firm Registration Number (FRN) 100583, amounting to ₹. 1,00,000/- (Rupees One Lakh Only) per annum plus taxes as applicable and reimbursement of out-of-pocket expenses that may be incurred, to conduct the cost audit for the FY 2024-25, as recommended by the Audit Committee and approved by the Board of Directors as Cost Auditors of the Company, be and is hereby ratified.

RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company be and are hereby jointly / severally authorized to sign such forms/returns as may be required to be submitted to the Registrar of Companies or such other authorities as may be required and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution.”

4. APPROVAL FOR AUTHORIZATION TO BOARD OF DIRECTORS OF THE COMPANY TO ADVANCE ANY LOAN, GIVE ANY GUARANTEE OR TO PROVIDE ANY SECURITY TO ALL SUCH PERSON SPECIFIED UNDER SECTION 185 OF THE COMPANIES ACT, 2013 UPTO AN AGGREGATE LIMIT OF ₹ 60,00,00,000/- (RUPEES SIXTY CRORES ONLY)

To consider and, if thought fit, to give assent or dissent to the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession to all the earlier resolutions passed in this regard and pursuant to Section 185 read with Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof and in accordance with Memorandum and Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise required, any duly constituted Committee thereof or any Director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to advance any loan(s) in one or more tranches including any loan represented by a book debt, and/or to give any guarantee(s) and/or to provide any security(ies) in connection with any Loan taken/to be taken/availed/to be availed from financial institutions / banks / insurance companies / other investing agencies or any other person(s) / bodies corporate by any entity which is a Subsidiary/ Associate/Joint Venture of the Company or such other entity/person as specified under Section 185 of the Companies Act, 2013 and more specifically to such other entity/person as the Board in its discretion deems fit and beneficial and in the best interest of the Company (hereinafter commonly known as the Entities); all together with in whom or in which any of the Director of the Company from time to time is interested or deemed to be interested, provided that the aggregate limit of advancing loan and/or giving guarantee and/or providing any security to the Entities shall not at any time exceed the aggregate limit of ₹ 60,00,00,000/- (Rupees Sixty Crores Only) at any point in time, in its discretion deem beneficial and in the best interest of the Company without being required to seek further consent or approval of the Members or otherwise.

RESOLVED FURTHER THAT the aforementioned loan(s) and/or guarantee(s) and/or security(ies) shall only be utilized by the borrower for the purpose of its principal business activities.

RESOLVED FURTHER THAT the powers be and is hereby delegated to the Board/ any duly constituted Committee thereof of the Company and is hereby authorized to approve, decide, negotiate, agree the terms and conditions for the aforesaid loan / guarantee / security and to do all such acts,

deeds, matters and things as they may, in their discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company be and are hereby jointly / severally authorized to sign such forms/returns as may be required to be submitted to the Registrar of Companies or such other authorities as may be required and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution.”

5. APPROVAL FOR EXTENSION OF LIMITS TO GIVE LOAN(S)/ PROVIDE GUARANTEE(S) OR SECURITY(IES)/ MAKE INVESTMENT(S) UNDER SECTION 186 OF THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession to all the earlier resolutions passed in this regard and pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable Rules, if any (including any statutory modification(s) or re-enactment thereof for the time being in force) and, in accordance with the Memorandum and Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise required, any duly constituted Committee thereof or any Director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate whether Indian or overseas, from time to time, in one or more tranches as the Board in their absolute discretion deem beneficial and in the interest of the Company, however, that the aggregate amount of the loans given/ guarantees or securities provided / investments so far made, along with the loans/ guarantees / securities/ investments proposed to be made by the Company from time to time, shall not exceed upto an amount of ₹ 5,00,00,00,000/- (Rupees Five Hundred Crores Only) outstanding at any point of time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take from time to time all decisions and steps in respect of the above loans/ guarantees/ securities/ investments including the timing, amount and other terms and conditions of such loans/ guarantees/ securities/ investments and varying the same either in part or in full as it may deem appropriate and to execute such documents, deeds, writings, papers and/ or agreements as may be required to do and perform all such acts, deeds, matters and things as may be necessary, proper or desirable and to settle any question, difficulty or doubt that

may arise in this regard including power to sub-delegate in order to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company be and are hereby jointly / severally authorized to sign such forms/returns as may be required to be submitted to the Registrar of Companies or such other authorities as may be required and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution.”

6. APPROVAL OF MATERIAL RELATED PARTY TRANSACTION(S) WITH CONTROP-PARAS TECHNOLOGIES PRIVATE LIMITED (“ASSOCIATE COMPANY”)

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the Regulation 23 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI Listing Regulations”) and the applicable provisions of the Companies Act, 2013 (“the Act”), if any, read with relevant Rules made thereunder, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) and, in accordance with the Memorandum and Articles of Association of the Company and as per the Company’s Policy on Materiality of Related Party Transactions and, on the basis of approval and recommendation of the Audit Committee and Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise required, any duly constituted Committee thereof or any Director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution), consent of the Members of the Company be and is hereby accorded to the Board to enter into and/or execute any contract(s)/ arrangement(s)/ transaction(s), whether by way of individual or multiple transaction(s) taken together, between the Company and Controp-Paras Technologies Private Limited (hereinafter referred to as “the Associate Company” under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations) for a period from date of this Annual General Meeting till the date of next Annual General Meeting, for an aggregate amount upto ₹ 2,93,00,00,000 (Rupees Two Hundred and Ninety Three Crores Only), in the ordinary course of business of the Company and at arm’s length basis on such terms and conditions as detailed in the explanatory statement to this resolution pursuant to Section 102 and other applicable provisions of the Act read with relevant Rules and on such terms and conditions as may be mutually agreed between the Company and the Associate Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other document(s), file application(s) and make representation(s) in respect thereof

and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer or any other Officer(s) as Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company be and are hereby jointly / severally authorized to sign such forms/returns as may be required to be submitted to the Registrar of Companies or such other authorities as may be required and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution.”

7. REMUNERATION OF MR. AMIT NAVIN MAHAJAN, A RELATED PARTY, HOLDING AN OFFICE OR PLACE OF PROFIT IN THE COMPANY

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 188(1) (f) of the Companies Act, 2013 (“the Act”) read with explanation and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Act made thereunder, if any, and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and applicable clauses of Articles of Association of the Company, and subject to compliances of all applicable laws and regulations, and as per the recommendation of the Nomination and Remuneration Committee and Audit Committee, and approval of Board of Directors in their meetings held on August 27, 2024, approval of the members be and is hereby accorded to increase the limit of remuneration payable to Mr. Amit Navin Mahajan, Director - Technical and Research & Development of the Company, a ‘Related Party’ as defined under Section 2(76) of the Act and SEBI Listing Regulations and an officer holding office or place of profit in the Company, in the pay scale of ₹ 4,00,000/- per month to ₹ 6,00,000/- per month (including, but not limited to all basic, additional, fixed and variable remunerations, bonus, commissions, incentives, allowances, benefits, perquisites, amenities and conveniences etc. as per the policy of the Company) with effect from September 20, 2024.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee/ Audit Committee/ Board of Directors of the Company has the liberty to alter and vary such remuneration in accordance with the provisions of the Act, to effect change in designation and responsibilities of Mr. Amit Navin Mahajan, within the maximum limit approved by the Members.

RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company be and are hereby jointly / severally authorized to sign such forms/returns as may be required to be submitted to the Registrar of Companies or such other authorities as may be required and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution.”

8. REMUNERATION OF MR. ANISH HEMANT MEHTA, A RELATED PARTY, HOLDING AN OFFICE OR PLACE OF PROFIT IN THE COMPANY

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 188(1) (f) of the Companies Act, 2013 (“the Act”) read with explanation and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Act made thereunder, if any, and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and applicable clauses of Articles of Association of the Company, and subject to compliances of all applicable laws and regulations, and as per the recommendation of the Nomination and Remuneration Committee and Audit Committee, and approval of Board of Directors in their meetings held on August 27, 2024, approval of the members be and is hereby accorded to increase the limit of remuneration payable to Mr. Anish Hemant Mehta, Director – Business Development of the Company, a ‘Related Party’ as defined under SEBI Listing Regulations and an officer holding office or place of profit in the Company, in the pay scale of ₹ 4,00,000/- per month to ₹ 6,00,000/- per month (including, but not limited to all basic, additional, fixed and variable remunerations, bonus, commissions, incentives, allowances, benefits, perquisites, amenities and conveniences etc. as per the policy of the Company) with effect from September 20, 2024.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee/ Audit Committee/ Board of Directors of the Company has the liberty to alter and vary such remuneration in accordance with the provisions of the Act, to effect change in designation and responsibilities of Mr. Anish Hemant Mehta, within the maximum limit approved by the Members.

RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company be and are hereby jointly / severally authorized to sign such forms/returns as may be required to be submitted to the Registrar of Companies or such other authorities as may be required and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution.”

9. REMUNERATION OF MR. HARSH DHIRENDRA BHANSALI, CHIEF FINANCIAL OFFICER AND A RELATED PARTY, HOLDING AN OFFICE OR PLACE OF PROFIT IN THE COMPANY

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 188(1)(f) of the Companies Act, 2013 (“the Act”) read with explanation and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Act made thereunder, if any, and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and applicable clauses of Articles of Association of the Company and subject to compliances of all applicable laws and regulations, and as per the recommendation of the Nomination and Remuneration Committee and Audit Committee and approval of Board of Directors in their meetings held on August 27, 2024, approval of the members be and is hereby accorded to increase the limit of remuneration payable to Mr. Harsh Dhirendra Bhansali, Chief Financial Officer of the Company, a ‘Related Party’ as defined under Section 2(76) of the Act and SEBI Listing Regulations and an officer holding office or place of profit in the Company, in the pay scale of ₹ 4,00,000/- per month to ₹ 6,00,000/- per month (including, but not limited to all basic, additional, fixed and variable remunerations, bonus, commissions, incentives, allowances, benefits, perquisites, amenities and conveniences etc. as per the policy of the Company) with effect from September 20, 2024.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee/ Audit Committee/ Board of Directors of the Company has the liberty to alter and vary such remuneration in accordance with the provisions of the Act, to effect change in designation and responsibilities of Mr. Harsh Dhirendra Bhansali, within the maximum limit approved by the Members.

RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company be and are hereby jointly / severally authorized to sign such forms/returns as may be required to be submitted to the Registrar of Companies or such other authorities as may be required and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution.”

10. TO RAISE CAPITAL BY WAY OF A QUALIFIED INSTITUTION PLACEMENT (“QIP”) TO ELIGIBLE INVESTORS THROUGH ISSUANCE OF EQUITY SHARES AND/OR OTHER ELIGIBLE SECURITIES

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 23, 42, 62(1)(c), 71 and other applicable provisions, if any, of the Companies Act, 2013, and the applicable rules made thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital

and Debentures) Rules, 2014, (including any amendment(s), statutory modification(s) or re-enactment thereof, for the time being in force) (“the Act”), and the enabling provisions of the Memorandum of Association and the Articles of Association of the Company and in accordance with the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), to the extent applicable, the uniform listing agreement(s) entered into by the Company with the BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE” and together with BSE, the “Stock Exchanges”) where the equity shares, having face value of ₹ 10/- (Rupee Ten Only), of the Company (“Equity Shares”) are listed, the provisions of the Foreign Exchange Management Act, 1999 including any amendments, statutory modification(s) and/or re-enactment thereof (“FEMA”) and rules and regulations made thereunder, including the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, the current Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce, Government of India, each as amended, and any other provisions of applicable laws (including all other applicable statutes, clarifications, rules, regulations, circulars, notifications, and guidelines issued by the Government of India (“GoI”), Ministry of Corporate Affairs (“MCA”), Reserve Bank of India (“RBI”), the Securities and Exchange Board of India (“SEBI”), the Stock Exchanges and any other competent authority) (hereinafter singly or collectively referred to as “Appropriate Authorities”) and subject to such approvals, permissions, consents and sanctions as may be necessary or required from the lenders of the Company, SEBI, the Stock Exchanges, RBI, GoI and any other concerned statutory/regulatory authorities and subject to such terms and conditions or modifications as may be prescribed or imposed by the Appropriate Authorities while granting of such approvals, permissions, consents and/ or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof, constituted by the Board to exercise the powers conferred by this resolution), the approval of the Members be and is hereby accorded to create, offer, issue and allot such number of eligible securities including equity shares of face value of ₹ 10/- (Rupees Ten Only), non-convertible debt instruments along with warrants and convertible securities other than warrants, (hereinafter referred to as “Eligible Securities” within the meaning rendered to such term under Regulation 171(a) of the SEBI ICDR Regulations) for cash, in one or more tranches by way of a Qualified Institutions Placement (“QIP”), through issue of preliminary placement document, placement document/ or other requisite offer document to Qualified Institutional Buyers (“QIBs”) in accordance with Chapter VI of the SEBI ICDR Regulations, whether they be holders of the Securities of the Company or not (the “Investors”) as may be permitted under applicable laws and regulations, of an aggregate amount not exceeding ₹ 2,00,00,00,000 /-(Rupees Two Hundred Crores Only) or equivalent amount thereof,

(inclusive of such discount or premium to market price or prices permitted under applicable law), on such other terms and conditions as may be mentioned in the offer document and/or placement document and/or private placement offer letter (along with the application form) and/ or such other documents/ writings/ circulars/ memoranda to be issued by the Company in respect of the proposed issue, as permitted under applicable laws and regulations, in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion may deem fit and appropriate and without requiring any further approval or consent from the Members, considering the prevailing market conditions and/ or other relevant factors, and wherever necessary, in consultation with the book running lead managers and/ or other advisors appointed by the Company and the terms of the issuance as may be permitted by SEBI, the Stock Exchanges, RBI, MCA, GOI, ROC, or any other concerned governmental/statutory/ regulatory authority in India or abroad, together with any amendments and modifications thereto (the “**Issue**”).

RESOLVED FURTHER THAT the issue and allotment of Eligible Securities is by way of QIP in terms of Chapter VI of the SEBI ICDR Regulations:

- a) The allotment of Eligible Securities shall be made to Qualified Institutional Buyers as defined in the SEBI ICDR Regulations (“**QIB’s**”);
- b) The Eligible Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and other applicable laws;
- c) The number and/ or price of the Eligible Securities or the underlying Equity Shares to be issued on conversion of Eligible Securities shall be appropriately adjusted for corporate actions such as bonus issues, rights issues, stock split, merger, demerger, transfer of undertaking, sale of division, reclassification of equity shares into other securities, issue of equity shares by way of capitalization of profits or reserves or any such capital or corporate reorganisation or restructuring;
- d) The Eligible Securities under the QIP shall be issued and allotted in dematerialised form;
- e) In the event the Equity Shares are issued, the “relevant date” for the purpose of pricing of the Equity Shares, shall be the date of the Meeting in which the Board or the Committee authorized by the Board decides to open the QIP issue of such Equity Shares, subsequent to receipt of members’ approval in terms of the provisions of the Companies Act, 2013 and other applicable Laws, Rules, Regulations and Guidelines in relation thereto;
- f) The Equity Shares issued and allotted under the Issue or allotted upon conversion of the equity-linked instruments issued in QIP shall rank pari passu in all respects including entitlement to dividend, voting rights or otherwise with the existing Equity Shares of the Company;
- g) In the event that Eligible Securities that are issued are eligible convertible securities, the relevant date for the purpose of pricing of the convertible securities, shall be either the date of the meeting at which the Board or a committee authorized by the Board decides to open the proposed issue or the date on which the holders of such eligible convertible securities become entitled to apply for Equity Shares;
- h) The tenure of the convertible or exchangeable Eligible Securities issued through the QIP shall not exceed sixty months from the date of allotment;
- i) Issue of Eligible Securities made by way of a QIP shall be at such price which is not less than the price determined in accordance with Regulation 176(1) under Chapter VI of the SEBI ICDR Regulations (“**QIP Floor Price**”) and applicable law. The Board may, however, at its absolute discretion in consultation with the book-running lead managers, issue Eligible Securities at a discount of not more than five percent (5%) or such other discount as may be permitted under applicable regulations to the QIP Floor Price;
- j) No single allottee shall be allotted more than fifty per cent (50%) of the issue size and the minimum number of allottees shall be as per the SEBI ICDR Regulations;
- k) No allotment shall be made, either directly or indirectly, to any QIB who is a promoter, or any person related to the promoters of the Company;
- l) Any subsequent QIP shall not be undertaken until the expiry of two weeks from the date of the prior QIP made pursuant to this special resolution

RESOLVED FURTHER THAT since the Issue size exceeds more than ₹ 1,00,00,00,000/- (Rupees Hundred Crores Only), a SEBI registered external credit rating agency will be appointed by the Board as the Monitoring Agency to monitor the use of proceeds in terms of Regulation 173A of Chapter VI of SEBI ICDR Regulations.

RESOLVED FURTHER THAT in accordance with Regulation 179 of the SEBI ICDR Regulations, a minimum of 10% of the Equity Shares shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs and that no allotment shall be made directly or indirectly to any QIB who is a promoter or any person related to promoters of the Company.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Equity Shares may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in

accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Equity Shares and the Board or a committee thereof subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Equity Shares that are not subscribed.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolution, the Equity Shares to be created, offered, issued, and allotted shall be subject to the provisions of the memorandum of associations and articles of association of the Company and any Equity Shares that may be created, offered, issued and allotted under the Issue or allotted upon conversion of the equity-linked instruments issued by the Company shall rank pari-passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the issue and allotment of Equity Shares, if any, made to NRIs, FPIs and/or other eligible foreign investors pursuant to this resolution shall be subject to the approval of the RBI under the Foreign Exchange Management Act, 1999 as may be applicable but within the overall limits as set forth thereunder.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted under the Issue or to be allotted upon conversion of any Equity Shares or as may be necessary in accordance with the terms of the Issue.

RESOLVED FURTHER THAT the Board be and is hereby accorded to open one or more bank accounts in the name of the Company, as may be required, subject to requisite approvals, if any, and to give such instructions including closure thereof as may be required and deemed appropriate by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do such acts, deeds, matters and take all steps as may be necessary including without limitation, for determining the terms and conditions of the Issue including among other things, the date of opening and closing of the Issue, the class of investors to whom the Equity Shares are to be issued, determination of the number of Eligible Securities, tranches, issue price, finalization and approval of offer document, placement document, preliminary or final, interest rate, listing, premium/discount, permitted under applicable law (now or hereafter) allotment of Equity Shares, listing of securities at Stock Exchanges and to sign and execute all deeds, documents, undertakings, agreements, papers, declarations and writings as may be required in this regard including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, the placement document or the offer document, placement agreement, escrow agreement and any other documents as may be required, approve and finalise the bid cum application form and confirmation of allocation notes, seek any consents and approvals as may be required, provide such declarations, affidavits, certificates, consents and/ or authorities as required from time to time, finalize utilisation of

the proceeds of the Issue, give instructions or directions and/or settle all questions, difficulties or doubts that may arise at any stage from time to time, and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the MCA, the book running lead manager(s), or other authorities or intermediaries involved in or concerned with the Issue and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the Members or otherwise, and that all or any of the powers conferred on the Company and the Board pursuant to this resolution may exercise to that end and intend that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and all actions taken by the Board or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorized to approve, finalise, execute, ratify, and/or amend/modify agreements and documents, including any power of attorney, agreements, contracts, memoranda, documents, etc. in connection with the appointment of any intermediaries and/or advisors (including for marketing, obtaining in-principle approvals, listing, trading and appointment of book running lead managers, underwriters, guarantors, depositories, custodians, legal counsel, bankers, trustees, stabilizing agents, advisors, registrars and all such agencies as may be involved or concerned with the Issue) and to remunerate them by way of commission, brokerage, fees, costs, charges and other expenses in connection therewith.

RESOLVED FURTHER THAT the net proceeds from the issue of the Eligible Securities would be utilised as per the objects stated in the explanatory statement.

RESOLVED FURTHER THAT the Eligible Securities shall not be eligible to be sold by the allottee(s) for a period of one year from the date of allotment, except on a recognized stock exchange, or as may be allowed under the SEBI ICDR Regulations from time to time. Furthermore, the tenure of convertible or exchangeable Eligible Securities issued shall not exceed sixty months from the date of allotment.

RESOLVED FURTHER THAT the Board shall have the authority and power to accept any modifications to the terms of the Issue, as may be required or imposed by the SEBI/Stock Exchanges or other appropriate authorities at the time of according/granting their approvals to issue, allotment and listing of the Eligible Securities and as may be agreed to by the Board.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed while granting any such approval, consents or permissions by such governmental body, authority or regulatory institution, the aforesaid Eligible Securities may have such features and attributes or any

terms or combination of terms in accordance with domestic and international practices to provide for the tradability and free transferability, as per the applicable laws and prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Eligible Securities or variation of the conversion price or period of conversion of Eligible Securities into Equity Shares during the duration of the Eligible Securities and the Board be and is hereby authorised in its absolute discretion, to dispose of such Eligible Securities that are not subscribed, in accordance with the applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board, be and is hereby authorized to take all actions and to do all such acts, deeds, matters and things, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any director(s), KMP(s), committee(s) which may be/have been constituted to exercise its powers including the powers conferred by this Resolution, executive(s), officer(s) or representatives(s) of the Company or to any other person, as may be necessary to give effect to this resolution.”

11. (A) TO APPROVE ‘PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED - EMPLOYEE STOCK OPTION PLAN 2024’ (“PARAS DEFENCE ESOP 2024”)

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 (1) (b) of the Companies Act, 2013 (“**the Act**”) and the Companies (Share Capital and Debentures) Rules, 2014 (the “**Companies SCD Rules**”) and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any modifications thereof or supplements thereto (“**the SEBI SBEB and Sweat Equity Regulations**”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**the SEBI LODR Regulations**”), the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the board of

directors of the Company (hereinafter referred to as “**the Board**”) which term shall be deemed to include the Nomination and Remuneration Committee), consent of the Members be and is hereby accorded to introduce and implement the ‘**Paras Defence and Space Technologies Limited - Employee Stock Option Plan 2024**’ (“**Paras Defence ESOP 2024**”), the salient features of which are detailed in the explanatory statement to this notice and to create, grant, offer, issue and allot at any time in one or more tranches to or for the benefit of eligible Employees and Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as “Employee(s)”) selected on the basis of criteria decided by Board under the Paras Defence ESOP 2024, such number of stock options convertible into Equity Shares of the Company (“Options”), in one or more tranches, not exceeding 7,95,000 (Seven Lakhs Ninety Five Thousand) equity shares of face value of ₹ 10/- each (Rupees Ten), at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the provision of the Paras Defence ESOP 2024 and all provisions of applicable laws.

RESOLVED FURTHER THAT the Paras Defence ESOP 2024 may also envisage provisions for making suitable arrangements for providing financial assistance to the eligible Employees to enable them to acquire, purchase or subscribe to the said securities of the Company in accordance with the provisions of the Companies Act and/or SEBI (SBEB and Sweat Equity) Regulations.

RESOLVED FURTHER THAT the new equity shares be issued and allotted directly to the eligible Employees upon exercise of Options from time to time in accordance with the Paras Defence ESOP 2024 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, merger, buy-back, scheme of arrangement and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the above ceiling shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Options granted under the Paras Defence ESOP 2024 and the exercise price of Options granted under the Paras Defence ESOP 2024 shall automatically stand augmented or reduced, as the case may be, in

the same proportion as the present face value of ₹ 10/- (Rupees Ten) per equity share bears to their revised face value of the equity shares of the Company after such subdivision or consolidation, without affecting any other rights or obligations of the Employees who have been granted Options under the Paras Defence ESOP 2024.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the Companies Act, SEBI (SBEB and Sweat Equity) Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Scheme.

RESOLVED FURTHER THAT without prejudice to the generality of the above the Board, which includes the Nomination and Remuneration Committee is authorised to formulate, evolve, decide upon and implement the Paras Defence ESOP 2024, determine the detailed terms and conditions of the aforementioned Paras Defence ESOP 2024 including but not limited to the quantum of the Options to be granted per Employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Options shall lapse and to grant such number of Options, to such Employees of the Company, at price, at such time and on such terms and conditions as set out in the Paras Defence ESOP 2024 and as the Board or the Nomination and Remuneration Committee may in its absolute discretion think fit.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be designated as the Compensation Committee in accordance with Regulation 5(1) of the SEBI (SBEB and Sweat Equity) Regulations as and when applicable to the Company for the purposes of administration of Paras Defence ESOP 2024.

RESOLVED FURTHER THAT the Board is hereby authorised to make any modifications, changes, variations, alterations or revisions in the Paras Defence ESOP 2024 as it may deem fit, from time to time or to suspend, withdraw or revive the Paras Defence ESOP 2024 from time to time, in conformity with applicable laws, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT the Board shall take necessary steps for listing of the Equity Shares allotted under the Paras Defence ESOP 2024 on the Stock Exchanges, in accordance with the provisions of the SEBI (SBEB and Sweat Equity) Regulations, the SEBI LODR Regulations and other applicable laws and regulations and the amendments thereof.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby

authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the Paras Defence ESOP 2024 at any stage including at the time of listing of the equity shares issued herein without requiring the Board 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.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committees as constituted from time to time, with power to sub-delegate to any executives/officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard.”

11. (B) TO EXTEND APPROVAL OF ‘PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED - EMPLOYEE STOCK OPTION PLAN 2024’ TO THE EMPLOYEES OF COMPANY, ITS SUBSIDIARY COMPANY (IES) AND/OR ASSOCIATE COMPANY (IES), GROUP COMPANY (IES) [PRESENT AND FUTURE]

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 Section 62 (1) (b) of the Companies Act, 2013 (“**the Act**”) and the Companies (Share Capital and Debentures) Rules, 2014 (the “**Companies SCD Rules**”) and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any modifications thereof or supplements thereto (“**the SEBI SBEB and Sweat Equity Regulations**”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**the SEBI LODR Regulations**”), the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the board of directors of the Company (hereinafter referred to as “**the Board**”) which term shall be deemed to include the Compensation/Nomination and Remuneration Committee), the consent of the members be and is hereby accorded to extend the benefits of ‘**Paras Defence and Space Technologies Limited - Employee Stock Option Plan 2024**’ (“**Paras Defence ESOP 2024**”) proposed in the resolution number 11(A) above to the

eligible Employees and Directors of the Company and/ or Subsidiary Company(ies), Group Company(ies), Associate Company(ies) (present or future) and to such other persons as may from time to time be allowed, under prevailing laws, rules and regulations, and/ or amendments thereto from time to time, on such terms and conditions as may be decided by the Board and selected on the basis of criteria prescribed by the Board, at such price or prices in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the Paras Defence ESOP 2024.

RESOLVED FURTHER THAT for the purpose of creating, offering, issuing, allotting and listing of the equity shares, the Board be authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the Paras Defence ESOP 2024 from time to time or to suspend, withdraw or revive Paras Defence ESOP 2024 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby

authorized to determine terms and conditions of issue of the equity shares and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company.”

By the order of the Board of Directors
Paras Defence and Space Technologies Limited

Date: August 27, 2024

Jajvalya Raghavan

Place: Navi Mumbai Company Secretary and Compliance Officer

Registered Office:

D-112, TTC Industrial Area,
MIDC, Nerul, Navi Mumbai – 400706
Tel. No. +91-22-6919 9999
Fax No. +91-22-6919 9990
E-mail: business@parasdefence.com
Website: www.parasdefence.com
CIN: L29253MH2009PLC193352

NOTES:

- a. The Ministry of Corporate Affairs ('MCA') has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 8, 2021, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 02/2022 dated May 5, 2022, General Circular No. 10/2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 respectively (collectively referred as 'MCA Circulars') and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 and Circular No. SEBI/HO/CFD/CFP-PoD-2/P/CIR/2023/167 dated October 07, 2023 issued by Securities and Exchange Board of India (SEBI) (collectively referred as 'SEBI Circulars'). MCA Circulars and SEBI Circulars (collectively referred as 'Circulars') allowed the companies to hold Annual General Meeting (AGM) through Video Conferencing / Other Audio-Visual Means (VC/OAVM), without the physical presence of members at the venue.
- In compliance with the applicable provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the 15th AGM of the Company is being held through VC/OAVM on September 20, 2024, at 12:30 p.m. (IST). The proceedings of the AGM will be conducted at the Registered Office of the Company at D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai – 400706, which shall be the deemed venue of the AGM.
- b. Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act") and as per the Listing Regulations, concerning resolutions vide item No. 3 to 11 in the Notice of this 15th Annual General Meeting is annexed hereto and forms integral part of this Notice.
- c. **Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the Circulars through VC / OAVM, the requirement of 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 are not annexed to this Notice.**
- d. Participation of Members through VC / OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
- e. The information required to be provided as per Section 102 of the Act, Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India and Listing Regulations are furnished in the explanatory statement which is annexed hereto.
- f. All the relevant documents referred to in this AGM Notice and Explanatory Statement, Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 and other documents shall be available electronically for inspection by the members at the AGM. Members seeking to inspect such documents can send an e-mail to cs@parasdefence.com from their registered e-mail address mentioning their name, DP ID and Client ID.
- g. The register of members and share transfer books of the Company will remain closed from Saturday, September 14, 2024 to Friday, September 20, 2024 (both days inclusive) for the purpose of determining eligibility of the members for the purpose of e-voting and AGM.
- h. In line with the Ministry of Corporate Affairs (MCA) Circular No.14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020 and Circular No. 20/2020 dated 5th May, 2020 read with Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 Circular No. 17/2020 dated April 13, 2020, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company's Registrar and Share Transfer Agent/Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website www.parasdefence.com, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of Link Intime India Private Limited www.linkintime.co.in.
- i. In case any Member is desirous of obtaining physical copy of the Annual Report for the FY 2023-24 and Notice of the AGM of the Company, he/she may send a request to the Company by writing at cs@parasdefence.com mentioning their DP ID and Client ID/Folio No.
- j. Corporate Members are entitled to appoint authorized representatives to attend the AGM through VC / OAVM and vote on their behalf. Institutional / Corporate members (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization along with an ID proof of the representative, authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to dinesh.deora@gmail.com with a copy marked to instameet@linkintime.co.in.
- k. INFORMATION AND OTHER INSTRUCTIONS FOR MEMBERS RELATING TO E-VOTING & AGM:**
- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), the Company is providing

facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has availed services of Link Intime India Private Limited for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as voting on the date of the AGM will be provided by Link Intime India Private Limited.

- ii. Members may note that the VC/OAVM facility, allows participation of at least 1,000 Members on a first-come-first-served basis and the said facility shall open 30 minutes before the time scheduled for the AGM. This will not include large members (members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- iii. Members will be able to attend the AGM through VC/ OAVM at <https://instavote.linkintime.co.in> by using their remote e-voting login credentials and selecting the link available against the EVEN (240495) for Company's AGM. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned below in the Notice.
- iv. The remote e-voting period commences on Tuesday, September 17, 2024 at 9:00 a.m. (IST) and ends on Thursday, September 19, 2024 at 5:00 p.m. (IST). During this period members of the Company, holding shares as on the cut-off date of Friday, September 13, 2024, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- v. The Company has appointed Mr. Dinesh Kumar Deora, Practicing Company Secretary (Membership No. FCS 5683, C.P. No. 4119), or failing him any other eligible representative of M/s. DM & Associates Company Secretaries LLP as Scrutinizer to scrutinize remote e-voting or e-voting at the AGM in a fair and transparent manner and he has communicated his willingness to be appointed.
- vi. The Scrutinizer shall, after scrutinizing the votes cast through remote e-voting and through electronic means at AGM, first count the votes cast vide e-voting at the AGM and thereafter shall, unblock the votes cast through remote e-voting, in the presence of at least two witnesses not in the employment of the Company. He shall be submitting a Consolidated Scrutinizer's Report of the total votes cast in favour or against, not later than 48 (forty-eight) hours of the conclusion of the AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- vii. Subject to receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the meeting, i.e. Friday, September 20, 2024.

- viii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www. parasdefence.com](http://www.parasdefence.com) and on the website of Link Intime India Private Limited i.e. www.linkintime.co.in. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed.
- ix. Members holding shares of the Company as on Friday, September 13, 2024, shall be entitled to vote at the Annual General Meeting of the Company. A person who is not a member as on the cut-off date should treat this notice for information purposes only.
- x. The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.
- xi. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
- xii. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at e-mail address: cs@parasdefence.com at least seven days prior to the date of Annual General Meeting. The same shall be replied suitably by the Company.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Tuesday, September 17, 2024 at 9:00 a.m. (IST) and ends on Thursday, September 19, 2024 at 5:00 p.m. (IST). The remote e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, September 13, 2024, may cast their vote electronically. The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, September 13, 2024.

Remote e-Voting Instructions for members:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

Individual Shareholders holding securities in demat mode with NSDL:

METHOD 1 - If registered with NSDL IDEAS facility

Users who have registered for NSDL IDEAS facility:

- a) Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "Login".
- b) Enter user id and password. Post successful authentication, click on "Access to e-voting".

- c) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

User not registered for IDEAS facility:

- a) To register, visit URL: <https://eservices.nsd.com> and select “Register Online for IDEAS Portal” or click on <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp> “
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided with Login ID and password.
- d) After successful login, click on “Access to e-voting”.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of NSDL:

- a) Visit URL: <https://www.evoting.nsd.com/>
- b) Click on the “Login” tab available under ‘Shareholder/ Member’ section.
- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you can see “Access to e-voting”.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with CDSL:

METHOD 1 – From Easi/Easiest

Users who have registered/ opted for Easi/Easiest

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or www.cdslindia.com.
- b) Click on New System Myeasi
- c) Login with user id and password
- d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

Users not registered for Easi/Easiest

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration> / <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>

- b) Proceed with updating the required fields.
- c) Post registration, user will be provided Login ID and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of CDSL

- a) Visit URL: <https://www.cdslindia.com/>
- b) Go to e-voting tab.
- c) Enter Demat Account Number (BO ID) and PAN No. and click on “Submit”.
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with Depository Participant:

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, members shall navigate through “e-voting” tab under Stocks option.
- c) Click on e-voting option, members will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-voting menu.
- d) After successful authentication, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Visit URL: <https://instavote.linkintime.co.in>
2. Click on “Sign Up” under ‘SHAREHOLDER’ tab and register with your following details: -

A. User ID:

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8

Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. PAN:

Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI:

Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number:

Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

Shareholders holding shares in **physical form but have not recorded 'C' and 'D'; shall provide their Folio number in 'D' above*

Shareholders holding shares in **NSDL form, shall provide 'D' above*

▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).

▶ Click "confirm" (Your password is now generated).

3. Click on 'Login' under 'SHAREHOLDER' tab.

4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.

2. E-voting page will appear.

3. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund"):

STEP 1 – Registration

a) Visit URL: <https://instavote.linkintime.co.in>

b) Click on Sign up under "Corporate Body/ Custodian/Mutual Fund"

c) Fill up your entity details and submit the form.

d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised

Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.

e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.

f) While first login, entity will be directed to change the password and login process is completed.

STEP 2 –Investor Mapping

a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.

b) Click on "Investor Mapping" tab under the Menu Section

c) Map the Investor with the following details:

a. 'Investor ID' -

i. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678

ii. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

b. 'Investor's Name - Enter full name of the entity.

c. 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.

d. 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.

d) Click on Submit button and investor will be mapped now.

e) The same can be viewed under the "Report Section".

STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

METHOD 1 - VOTES ENTRY

a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.

b) Click on 'Votes Entry' tab under the Menu section.

c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.

d) Enter '16-digit Demat Account No.' for which you want to cast vote.

e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.

g) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

METHOD 2 - VOTES UPLOAD:

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) You will be able to see the notification for e-voting in inbox.
- c) Select 'View' icon for 'Company's Name / Event number'. E-voting page will appear.
- d) Download sample vote file from 'Download Sample Vote File' option.
- e) Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.
- f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:

Helpdesk for Individual shareholders holding securities in physical form/Non-Individual Shareholders holding securities in demat mode:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
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 : 022 - 4886 7000 and 022 - 2499 7000
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 or contact at toll free no. 1800 22 55 33

Forgot Password:

Individual shareholders holding securities in physical form has forgotten the password:

If an Individual shareholders holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund") has forgotten the password:

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on 'Login' under 'Corporate Body/ Custodian/Mutual Fund' tab and further Click 'forgot password?'
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Process and manner for attending the General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & Click on “Login”.

► Select the “Company” and ‘Event Date’ and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

► Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Instructions for Shareholders/ Members to Speak during the General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request with the company.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the General Meeting through InstaMeet 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 facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

RATIFICATION OF REMUNERATION OF COST AUDITORS

In terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 ('Rules'), as amended from time to time, the Company is required to undertake the audit of its cost records. Such cost audit has to be conducted by a Cost Accountant in Practice.

Based on the recommendation of the Audit Committee, the Board of Directors at their Meeting held on May 25, 2024, has approved the appointment of M/s. Dinesh Jain & Co., Cost Accountants (FRN: 100583) as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the FY 2024-25, at a remuneration of ₹ 1,00,000/- (Rupees One Lakh Only) plus applicable taxes thereon and reimbursement of actual out-of-pocket expenses.

As required under Section 141 of the Act, M/s. Dinesh Jain & Co., Cost Accountants have consented to act as the Cost Auditors of the Company for the FY 2024-25 and confirmed their eligibility to conduct the cost audit of the Company.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board must be ratified by the Members 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 for conducting the audit of the cost records of the Company for the financial year ending March 31, 2025.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board recommends the Resolution set forth in Item No. 3 for the approval of the Members.

ITEM NO. 04

APPROVAL FOR GIVING AUTHORIZATION TO BOARD OF DIRECTORS OF THE COMPANY TO ADVANCE ANY LOAN, GIVE ANY GUARANTEE OR TO PROVIDE ANY SECURITY TO ALL SUCH PERSON SPECIFIED UNDER SECTION 185 OF THE COMPANIES ACT, 2013 UPTO AN AGGREGATE LIMIT OF ₹ 60,00,00,000/- (RUPEES SIXTY CRORES ONLY)

The Members of the Company through postal ballot on May 3, 2024 had accorded their consent under section 185 of the Companies Act, 2013, by way of Special Resolution, to the Board of Directors of the Company, to advance any loan, including any loan represented by a book debt to, or give any guarantee or provide any security in connection with any loan taken by (a) any director of company, or of

a company which is its holding company or any partner or relative of any such director; or (b) any firm in which any such director or relative is a partner, upto a sum aggregating ₹ 25,00,00,000/- (Rupees Twenty Five Crores).

However, in order to augment the long-term resources of the company and its subsidiaries, associates and such other permitted entities/ persons and to render support for the business requirements of the entities, it is proposed to increase the limits under section 185 of the Companies Act, 2013 to ₹ 60,00,00,000/- (Rupees Sixty Crores Only).

Members may note that pursuant to the provisions of Section 185 of the Companies Act, 2013 ("the Act") read with the Companies (Meeting of Board and its Powers) Rules, 2014 (as amended from time to time), no Company shall, directly or indirectly, advance any loan, including any loan represented by a book debt to, or give any guarantee or provide any security in connection with any loan taken by (a) any director of Company, or of a Company which is its holding Company or any partner or relative of any such director; or (b) any firm in which any such director or relative is a partner.

However, a Company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the Director of the Company is interested, subject to the condition that (a) a special resolution is passed by the Company in general meeting and (b) the loans are utilized by the borrowing Company for its principal business activities.

Accordingly, the Board of Directors at their meeting held on August 27, 2024, has subject to the approval of members of the Company, proposed and approved for seeking the members' approval for increase in limit from ₹ 25,00,00,000/- (Rupees Twenty Five Crores Only) to an aggregate limit of ₹ 60,00,00,000/- (Rupees Sixty Crores Only) for advancing any loan, giving any guarantee or providing any security to all such person specified under Section 185 of the Companies Act, 2013 and more specifically such other entity/person as the Board of the Directors in its discretion deems fit and beneficial and in the best interest of the Company all together with in whom or in which any of the Director of the Company from time to time is interested or deemed to be interested. Further, the aforementioned loan(s) and/or guarantee(s) and/or security(ies) shall only be utilized by the borrower for the purpose of its principal business activities and that keeping the best interest of the Company.

The above restriction is not applicable to any loan given by the Company to its wholly owned subsidiary Company or any guarantee given, or security provided by the Company to its wholly owned subsidiary Company provided that the loans given are utilized by the Subsidiary Company for its principal business activities.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 4 of this Notice, in relation to the details as stated above and thus the Board of Directors recommends the said Resolution for the approval of the members of the Company as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their Directorship and Shareholding, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Resolution set forth in Item No. 4 for the approval of the Members

ITEM NO. 05

APPROVAL FOR EXTENSION OF LIMITS TO GIVE LOAN(S)/ PROVIDE GUARANTEE(S) OR SECURITY(IES)/ MAKE INVESTMENT(S) UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Members of the Company in their meeting held on September 30, 2019 had approved the limits under Section 186 of the Companies Act, 2013 ("the Act") to (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate upto ₹ 2,00,00,00,000/- (Rupees Two Hundred Crores Only).

However, in order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of funds by giving commensurate loan(s) / providing guarantee(s) or securities(s) in connection with loans/ to make investment(s) to person(s) or bodies corporate(s), from time to time, in excess of the limits specified under Section 186 of the Act.

Members may note that pursuant to Section 186 of the Act read with the Companies (Meeting of Board and its Powers) Rules, 2014 (the "Rules") as amended from time to time, the Company can give loan or provide any guarantee or security in connection with a loan to any other body corporate or person or acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with the prior approval of Members by passing special resolution at the general meeting.

The Board of Directors at their meeting held on August 27, 2024, subject to the approval of members of the Company, had proposed and approved, for seeking the members approval for increase in limit under Section 186 of the Act, from ₹ 2,00,00,00,000/- (Rupees Two Hundred Crores Only) to an aggregate limit of ₹ 5,00,00,00,000/- (Rupees Five Hundred Crores Only) and to give powers to the Board of Directors or any duly constituted Committee thereof to that effect.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 5 of this Notice, in relation to the details as stated above and thus the Board of Directors recommends the said Resolution for the approval of the members of the Company as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their Directorship and Shareholding, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Resolution set forth in Item No. 5 for the approval of the Members.

ITEM NO. 6

APPROVAL OF MATERIAL RELATED PARTY TRANSACTION(S) WITH CONTROP-PARAS TECHNOLOGIES PRIVATE LIMITED ("THE ASSOCIATE COMPANY")

The Board of Directors based on recommendation of the Audit Committee at their meeting held on August 27, 2024, have accorded approval to enter into and/or execute contract(s)/ arrangement(s)/ transaction(s), whether by way of individual or multiple transaction(s) taken together, between the Company and Controp-Paras Technologies Private Limited ("Associate Company") for supply of goods/services/material including technologies and other business transactions for a period from date of this Annual General Meeting till the date of next Annual General Meeting.

The Company is an Indian premier defence engineering Company, offering a wide range of Products & Solutions for Defence & Space Applications. With focus on Defence & Space Sector, it has two verticals, namely Optics & Optronics Systems and Defence Engineering (comprising of Defence Electronics, EMP Protection Solutions & Heavy Engineering). The annual consolidated turnover of the Company as on March 31, 2024 is ₹ 253.50 crores. The Associate Company was incorporated on July 31, 2023, which is engaged in the business of manufacturing of EO/IR Systems for various platforms as designed by Controp Precision Technologies, Israel along with some co-development of products in the future.

In accordance with Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), prior approval of the members is required for (a) related party transactions which in a financial year, exceed the lower of (i) ₹ 1,000 Crores; and (ii) 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company; and (b) any subsequent material modifications thereto as defined by the Audit Committee of the Company.

The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis.

The material related party transaction of the Company with the Associate Company as set out in item no. 6 of notice is at arm's length and in the ordinary course of business. It has been evaluated by an external independent accounting firm and the firm has confirmed that the proposed terms of the contract/agreement meet the arm's length testing criteria. The related party transaction also qualifies as contract under ordinary course of business and this analysis is presented to the Audit Committee.

Further, the aforesaid material related party transaction is undertaken after obtaining prior approval of the Audit Committee. The Audit Committee of the Company currently comprises of majority of independent directors. All related party transactions have been approved by the Audit Committee after satisfying itself that the related party transactions are at arm's length and in the ordinary course of business. The Audit Committee of the Company reviews on a quarterly basis, the details of all related party transactions entered into by the Company during the previous quarter, pursuant to its approvals.

The relevant information pertaining to transactions with the Associate Company as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is given below:

Sr. No.	Particulars	Details
1.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Name of Related Party - Controp-Paras Technologies Private Limited ("Controp-Paras") Relationship - Controp-Paras is an Associate Company of the Company. The Company holds 30% of paid-up equity share capital of Controp-Paras.
2.	Name of Director(s) or Key Managerial Personnel who is related, if any	-
3.	Type, Tenure, Material Terms and Particulars	Supply of goods/services/material including technologies and other business transactions for a period from date of this Annual General Meeting till the date of next Annual General Meeting.
4.	Value of the transaction	Upto ₹ 2,93,00,00,000/- (Rupees Two Hundred and Ninety Three Crores plus applicable taxes)
5.	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	116%
7.	Justification as to why the RPT is in the interest of the listed entity	Controp-Paras has received an order from L & T for manufacturing and supply of Electro-Optics System along with Extended Warranty Charges and Integrated Logistics Support ("ILS") Package for their CIWS Program. The Company shall be executing the Indian Content ("IC") out of the aforementioned order. The Company specializes in manufacturing and designing engineering and technology for Defence and Space Sector. The pricing for the aforesaid transaction is in ordinary course of business and on arm's length basis.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of this Notice, in relation to the details as stated above and thus the Board of Directors recommends the said Resolution for the approval of the members of the Company as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their Directorship and Shareholding, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Resolution set forth in Item No. 6 for the approval of the Members.

ITEM NO. 07

REMUNERATION OF MR. AMIT NAVIN MAHAJAN, A RELATED PARTY, HOLDING AN OFFICE OR PLACE OF PROFIT IN THE COMPANY

Mr. Amit Navin Mahajan is husband of Mrs. Shilpa Amit Mahajan, Whole-Time Director of the Company, a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). He has been appointed as Director - Technical and Research & Development, an officer holding office or place of profit under provisions of Section 188(1)(f) of the Act read with explanation and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, and other applicable provisions of the Act thereunder, if any, and Regulation 23 of SEBI Listing Regulations (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and his remuneration was last revised

at the 13th AGM of the Company dated September 27, 2022 in the pay scale of ₹ 2,00,000/- per month to ₹ 4,00,000/- Per month.

Mr. Amit Navin Mahajan holds a bachelor's degree in instrumentation engineering from University of Mumbai. He has over 21 years of work experience in defence electronics and systems. He was appointed as Director - Business of the Company in the year 2018 and was re-designated as Director - Technical and Research & Development with effect from October 1, 2020.

Pursuant to the provisions Section 188(1)(f) of the Act read with explanation and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from to time, where the office or place of profit is held by an individual other than Director and such person receives from the Company anything by way of remuneration, salary, fee, commissions, perquisites, any rent free accommodation or otherwise, it requires the prior approval of the members, if the monthly remuneration exceeds ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only).

Considering the performance, contribution and initiatives taken by Mr. Amit Navin Mahajan and his dedicated involvement in the affairs of the Company, the Board, subject to approval of the members, has approved in their meeting held on August 27, 2024, on the recommendation of Nomination and Remuneration Committee and Audit Committee in their meeting held on even date, an increase in remuneration of Mr. Amit Navin Mahajan, Director - Technical and Research & Development of the Company, in the pay scale of ₹ 4,00,000/- per month to ₹ 6,00,000/- per month which is in the ordinary course of business and at arm's length basis.

Brief profile of Related Party and disclosure pursuant to Rule 15(3) of Companies (Meetings of Board and its powers) Rules 2014 are as under:

Sr. No.	Particulars	Details
1.	Name of the Related Party;	Mr. Amit Navin Mahajan
2.	Name of the director or key managerial personnel who is related, if any;	Mrs. Shilpa Amit Mahajan, Whole-Time Director
3.	Nature of relationship;	Mr. Amit Navin Mahajan is husband of Mrs. Shilpa Amit Mahajan.
4.	Nature, material terms, monetary value and particulars of the contract or arrangements;	Increase in prescribed limit of remuneration in the pay scale of ₹ 4,00,000/- per month to ₹ 6,00,000/- per month (including, but not limited to all basic, additional, fixed and variable remunerations, bonus, commissions, incentives, allowances, benefits, perquisites, amenities and conveniences etc. as per the policy of the Company) with effect from September 20, 2024.
5.	Any other information relevant or important for the members to take a decision on the proposed resolution.	Not Applicable

The Members are hereby informed that as per Regulation 23 of SEBI Listing Regulations and Section 188 of the Act, no member of the Company shall vote on this resolution if such member is a Related Party.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for Approval for increase in remuneration of Mr. Amit Navin Mahajan, a Related Party, holding an office or place of profit in the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their Directorship and Shareholding, in the resolution set out at Item No. 7 of the Notice.

The Board recommends the Resolution set forth in Item No. 7 for the approval of the Members.

ITEM NO. 08

REMUNERATION OF MR. ANISH HEMANT MEHTA, A RELATED PARTY, HOLDING AN OFFICE OR PLACE OF PROFIT IN THE COMPANY

Mr. Anish Hemant Mehta is a member of Promoter Group, a 'Related Party' as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). He has been appointed as Director – Business Development, an officer holding office or place of profit under provisions of Section 188(1) (f) of the Companies Act, 2013 ("the Act") read with explanation and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Act thereunder, if any and Regulation 23 of SEBI Listing Regulations (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and his remuneration was last revised at the 13th AGM of the Company dated September 27, 2022 in the pay scale of ₹ 2,00,000/- per month to ₹ 4,00,000/- per month.

Mr. Anish Hemant Mehta has over 23 years of work experience in business operations and logistics. He joined the Company on October 5, 2009 as General Manager and was re-designated as Director - Business Development with effect from October 1, 2018.

Pursuant to the provisions Section 188(1)(f) of the Act read with explanation and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time, where the office or place of profit is held by an individual other than Director and such person receives from the Company anything by way of remuneration,

salary, fee, commissions, perquisites, any rent free accommodation or otherwise, it requires the prior approval of the members if the monthly remuneration exceeds ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only).

Keeping in view the contributions made and his suitability, the Board, subject to approval of the members, has approved in their meeting held on August 27, 2024 on the recommendation of Nomination and Remuneration Committee and Audit Committee in their meeting held on even date, an increase in remuneration of Mr. Anish Hemant Mehta, Director – Business Development of the Company and an officer holding office or place of profit in the Company, in the pay scale of ₹ 4,00,000/- per month to ₹ 6,00,000/- per month which is in the ordinary course of business and at arm's length basis. Since Mr. Anish Hemant Mehta does not fall under the definition of relative as per the Act, hence the brief profile of Related Party and disclosure pursuant to Rule 15(3) of Companies (Meetings of Board and its powers) Rules 2014 is not applicable.

The Members are hereby informed that as per Regulation 23 of SEBI Listing Regulations and Section 188 of the Act, no member of the Company shall vote on this resolution if such member is a Related Party.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for Approval for increase in remuneration of Mr. Anish Hemant Mehta, a Related Party, holding an office or place of profit in the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their Directorship and Shareholding, in the resolution set out at Item No. 8 of the Notice.

The Board recommends the Resolution set forth in Item No. 8 for the approval of the Members.

ITEM NO. 09

REMUNERATION OF MR. HARSH DHIRENDRA BHANSALI, CHIEF FINANCIAL OFFICER AND A RELATED PARTY, HOLDING AN OFFICE OR PLACE OF PROFIT IN THE COMPANY

Mr. Harsh Dharendra Bhansali is a son-in-law of Mr. Sharad Virji Shah, Chairman and Non-Executive Non-Independent Director of the Company, a 'Related Party' as defined under Section 2(76) of

the Companies Act, 2013 (“the Act”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). He has been appointed as Chief Financial Officer holding office or place of profit under provisions of Section 188(1)(f) of the Act read with explanation and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Act made thereunder, if any and Regulation 23 of SEBI Listing Regulations (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and his remuneration was last revised at the 13th AGM of the Company dated September 27, 2022 in the pay scale ₹ 2,00,000/- per month to ₹ 4,00,000/- Per month.

Mr. Harsh Dharendra Bhansali has been Managing the Finance, Accounts and related activities since 2018 and is involved in the operations of the Company. He has been associated with the Company since inception and has held various responsibilities before being appointed as Chief Financial Officer. He has over 18 years of work experience in finance and accounts. He has been designated as Chief Financial Officer of the Company on March 24, 2020.

Pursuant to the provisions of Section 188(1)(f) of the Act read with explanation and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time, where the office or place of profit is held by an individual other than Director and such person receives from the Company anything by way of remuneration, salary, fee, commissions, perquisites, any rent free accommodation or otherwise, it requires the prior approval of the members if the monthly remuneration exceeds ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only).

Taking into consideration Mr. Harsh Dharendra Bhansali’s contribution towards the growth of the Company and his longer association with the Company, the Board, subject to approval of the members, has approved in their meeting held on August 27, 2024 on the recommendation of Nomination and Remuneration Committee and Audit Committee in their meeting held on even date, an increase in remuneration of Mr. Harsh Dharendra Bhansali, Chief Financial Officer of the Company and an officer holding office or place of profit in the Company, in the pay scale of ₹ 4,00,000/- per month to ₹ 6,00,000/- per month which is in the ordinary course of business and at arm’s length basis.

Brief profile of Related Party and disclosure pursuant to Rule 15(3) of Companies (Meetings of Board and its powers) Rules 2014 are as under:

Sr. No.	Particulars	Details
1.	Name of the Related Party;	Mr. Harsh Dharendra Bhansali
2.	Name of the director or key managerial personnel who is related, if any;	Mr. Sharad Virji Shah, Chairman and Non-Executive Non-Independent Director
3.	Nature of relationship;	Mr. Harsh Dharendra Bhansali is son-in-law of Mr. Sharad Virji Shah
4.	Nature, material terms, monetary value and particulars of the contract or arrangements;	Increase in prescribed limit of remuneration in pay scale of ₹ 4,00,000/- per month to ₹ 6,00,000/- per month (including, but not limited to all basic, additional, fixed and variable remunerations, bonus, commissions, incentives, allowances, benefits, perquisites, amenities and conveniences etc. as per the policy of the Company) with effect from September 20, 2024.
5.	Any other information relevant or important for the members to take a decision on the proposed resolution.	Not Applicable

The Members are hereby informed that as per Regulation 23 of SEBI Listing Regulations and Section 188 of the Act, no member of the Company shall vote on this resolution if such member is a Related Party.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for Approval for increase in remuneration of Mr. Harsh Dharendra Bhansali, Chief Financial Officer and a Related Party, holding an office or place of profit in the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their Directorship and Shareholding, in the resolution set out at Item No. 9 of the Notice.

The Board recommends the Resolution set forth in Item No. 9 for the approval of the Members.

ITEM NO. 10:

TO RAISE CAPITAL BY WAY OF A QUALIFIED INSTITUTIONS PLACEMENT TO ELIGIBLE INVESTORS THROUGH ISSUANCE OF EQUITY SHARES AND/OR OTHER ELIGIBLE SECURITIES

The Company anticipates further growth opportunities in its existing operations and continues to evaluate various avenues for expansion and achieving growth. Towards this, the Company continues to require capital to achieve such growth and expansion. Accordingly, the Company intends to raise capital by way of a qualified institutions placement (“QIP”) to eligible investors through the further issuance of Eligible Securities in accordance with applicable laws. The proposed issue of capital is subject to, inter alia, the applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications, as amended from time to time, issued by the Securities and Exchange Board of India (“SEBI”), BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE” and together with BSE, “Stock Exchanges”), Reserve Bank of India, Ministry of

Corporate Affairs, Government of India, Registrar of Companies, to the extent applicable, and any other approvals, permits, consents and sanctions of any regulatory/ statutory authorities, as may be required in this regard, domestically or internationally.

Accordingly, the board of directors of the Company ("Board") at their meeting held on August 27, 2024, had considered the proposal and accorded necessary approvals, subject to the approval of the Members and other concerned authorities as indicated above, raising funds by way of issuance of eligible securities including equity shares of face value of ₹ 10/- (Rupees Ten Only), non-convertible debt instruments along with warrants and convertible securities other than warrants, (hereinafter referred to as "Eligible Securities" within the meaning rendered to such term under Regulation 171(a) of the SEBI ICDR Regulations) or any combination of the Eligible Securities, in accordance with applicable law, in one or more tranches, for an aggregate amount of up to ₹ 2,00,00,00,000/- (Rupees Two Hundred Crores Only). The Resolution contained in the agenda of the notice seeks to empower the Board of Directors to undertake a qualified institutions placement with qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"). The Board of Directors may at its discretion adopt this mechanism as prescribed under Chapter VI of the SEBI ICDR Regulations for raising the funds, without the need for fresh approval from the Members. The Eligible Securities allotted as above would be listed on BSE Limited and National Stock Exchange of India Limited. The offer/issue/ allotment would be subject to regulatory approvals, if any. The conversion of Eligible Securities, if any, held by foreign investors into Equity Shares would be subject to the applicable foreign exchange regulations and sectoral caps, if any.

The proposal seeks to confer upon the Board (including a Committee thereof), the absolute discretion to determine the terms of the aforementioned issuance of Eligible Securities, including the exact price, proportion and timing of such issuance, based on an analysis of the specific requirements and market conditions. The detailed terms and conditions of such issuance will be determined by the Board or a Committee thereof, considering prevailing market conditions, and practices and in accordance with the applicable provisions of law and other relevant factors. Accordingly, the Board (including a committee thereof) may, in its discretion, adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the Members of the Company.

As and when the Board or a Committee thereof takes a decision on matters pertaining to the proposed fundraising, on which it has the discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the SEBI Listing Regulations. This Special Resolution, if passed, will have the effect of allowing the Board to offer, issue and allot the Eligible Securities to the Investors, who may or may not be the existing members of the Company.

I. Objects of the Issue

The Company shall utilize the proceeds from the Issue (after adjustment of expenses related to the Issue) at various stages for the usage of one or more, or any combination of the following: capital expenditure for organic growth, expansion

and growth of the existing business of the Company or its subsidiaries, funding working capital requirements, pre-payment and / or repayment of debts of the Company or its subsidiaries, general corporate purposes and such other purpose(s) as may be permissible under applicable laws and approved by the Board of the Company. The details for deployment of funds will be specifically mentioned in the preliminary placement document/ placement document in terms of applicable circulars of BSE and NSE, in this regard as well as the SEBI ICDR Regulations.

The Board or a duly authorised committee shall decide the specific objects towards which the Net Proceeds shall be deployed and will be dependent on multiple factors such as, inter alia, market conditions, timing of the offer and other internal and external factors.

Pending utilization of the proceeds from the Issue, the Company shall invest such proceeds in the highest credit quality short-term money market mutual funds, deposits in scheduled commercial banks or any other investment as permitted

II. Amount of the Offering

The approval of the Members by way of a Special Resolution is sought to be obtained to fulfil the aforesaid objects by raising funds by way of issuance of Eligible Securities, in accordance with applicable law, in one or more tranches, whether Rupee denominated or denominated in foreign currency, in the course of domestic and/or international offering(s) in one or more foreign markets, in terms of the applicable regulations and as permitted under the applicable laws, in such manner in consultation with the lead managers and/or other advisor(s) or otherwise, for an aggregate amount not exceeding ₹ 2,00,00,00,000/- (Rupees Two Hundred Crores Only) or an equivalent amount thereof (inclusive of such premium as may be fixed on such Eligible Securities) at such price or prices as may be permissible under applicable law by way of a QIP in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any amendment, modification, variation or re-enactment thereof) ("SEBI ICDR Regulations"), Sections 42 and 62 and other applicable provisions of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, each as amended, the provisions of the Memorandum and Articles of Association of the Company and other applicable laws. ("Issue")

The Board (including any duly authorized committee thereof) may at their discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the members of the Company. The proposed issue of capital is subject to, inter alia, the applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications, as amended from time to time, issued by the Securities and Exchange Board of India, the BSE and NSE ("Stock Exchanges"), Reserve Bank of India, Ministry of Corporate Affairs, Government of India, Registrar of Companies, Mumbai, Maharashtra, to the extent applicable, and any other approvals, permits, consents and sanctions of any regulatory/

statutory authorities and guidelines and clarifications issued thereon from time to time.

The issue is made through a qualified institutions placement and will be undertaken in terms of the SEBI ICDR Regulations as follows:

1. the allotment of Eligible Securities shall only be made to qualified institutional buyers (“QIBs”) as defined under SEBI ICDR Regulations;
2. the allotment of the Eligible Securities shall be completed within 365 days from the date of passing of the special resolution in accordance with the SEBI ICDR Regulations and applicable laws;
3. a minimum of 10% of the Eligible Securities shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs;
4. the “relevant date” for the purposes of pricing of the Securities to be issued and allotted in the proposed QIP shall be the date of the meeting in which the Board or a duly authorised committee decides to open the proposed QIP of equity shares as Eligible Securities; and in case Eligible Securities are eligible convertible securities, then either the date of the meeting in which the Board or a duly authorized committee decides to open the proposed issue or the date on which the holders of such eligible convertible securities become entitled to apply for the equity shares as provided under the SEBI ICDR Regulations;
5. the equity shares of the same class, which are proposed to be allotted through qualified institutions placement or pursuant to conversion or exchange of eligible securities offered through qualified institutions placement, have been listed on a stock exchange for a period of at least one year prior to the date of issuance of notice to its Members for convening the meeting to pass the special resolution;
6. An issuer shall be eligible to make a qualified institutions placement if any of its promoters or directors is not a fugitive economic offender.
7. no single allottee shall be allotted more than 50% of the QIP size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations. It is clarified that qualified institutional buyers belonging to the same group or who are under same control shall be deemed to be a single allottee;
8. the Eligible Securities to be offered and allotted shall be in dematerialized form and shall be allotted on fully paid up basis;
9. a discount of not more than 5% (five per cent) or such other percentage as may be permitted under applicable law to the floor price may be provided in terms of the SEBI ICDR Regulations;

10. the Eligible Securities allotted shall not be eligible for sale by the allottee for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time; and
11. The Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to the special resolution passed at this meeting.

III. Pricing

The pricing would be arrived at by the Board, depending on market conditions and in accordance with the SEBI ICDR Regulations, or other applicable laws. In the event of a QIP pricing of the Equity Shares that may be issued to QIBs shall be freely determined subject to such price not being less than floor price calculated in accordance with Chapter VI of the SEBI ICDR Regulations, provided that the Company may offer a discount not exceeding 5% of the floor price or such other permissible limit as may be specified under Chapter VI of the SEBI ICDR Regulations.

IV. Relevant Date

The relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board or any other committee duly authorized by the Board decides to open the QIP of Equity Shares as eligible securities, in accordance with applicable laws, rules, regulations and guidelines in relation to the proposed issue of Equity Shares, and in case Securities are eligible convertible securities, then either the date of the meeting in which the Board or any other committee duly authorized by the Board decides to open the proposed issue or the date on which holders of Securities become eligible to apply for Equity Shares, as may be determined by the Board or duly authorized Committee or such date as may be permitted under SEBI ICDR Regulations, as amended as may be applicable.

V. Change in Control

There would be no change in control pursuant to the said issue of Securities.

VI. Interest of Promoters, Directors and Key Managerial Personnel

The Promoters, members of the Promoter Group, Directors and Key Managerial Personnel of the Company will not subscribe to the QIP. No allotment shall be made, either directly or indirectly, to any Qualified Institutional Buyer who is a promoter of the Company, or any person related to promoters of the Company in terms of the SEBI ICDR Regulations.

VII. Class or Classes of persons to whom the Securities will be offered

The Securities will be offered and issued to such Investors including QIBs who are eligible to acquire such Securities in accordance with the applicable laws, rules regulations and guidelines. The proposed allottees may be resident of India or abroad and whether or not such persons are members

VIII. Monitoring of Utilization of Funds

Given that the issue size exceeds ₹100 Crore (Indian One Hundred Crore Only), in terms of Regulation 173A of the SEBI ICDR Regulations, the Company shall appoint a SEBI-registered credit rating agency as the monitoring agency to monitor the use of the proceeds of the Issue ("Monitoring Agency").

The Monitoring Agency shall submit its report to the Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% (One Hundred Percent) of the Issue Proceeds have been utilized. The Board and the management of the Company shall provide their comments on the findings of the Monitoring Agency in the format specified in Schedule XI of the SEBI ICDR Regulations. The Company shall, within 45 (forty-five) days from the end of each quarter, upload the report of the Monitoring Agency on its website and also submit the same to the Stock Exchanges

IX. The proposed time limit within which the allotment shall be complete:

In terms of SEBI (ICDR) Regulations, the allotment of the Eligible Securities shall be completed within 365 days from the date of this resolution, or such other period as may be prescribed under the ICDR Regulations or other applicable laws from time to time.

X. Lock-in Period/Transferability

In terms of the provisions of regulation 178 of the SEBI ICDR Regulations, the Eligible Securities allotted under the qualified institution placement shall not be sold by the allottee(s) for a period of one year from the date of allotment, except on a recognized stock exchange.

XI. Undertakings

- a) None of the Directors or Promoters of the Company are fugitive economic offenders as defined under the SEBI ICDR Regulations;
- b) the equity shares of the same class, which are proposed to be allotted through qualified institutions placement or pursuant to conversion or exchange of Eligible Securities offered through qualified institutions placement, have been listed on a stock exchange for a period of at least one year prior to the date of issuance of notice to its Members for convening the meeting to pass the special resolution; and
- c) the Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to this special resolution, or such other time as may be prescribed in the SEBI ICDR Regulations or other applicable laws.
- d) the number and/or price of the Eligible Securities or the underlying Equity Shares issued on conversion of Eligible Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division, reclassification of equity shares into other securities, issue of equity

shares by way of capitalisation of profit or reserves, or any such capital or corporate restructuring;

- e) no single allottee shall be allotted more than 50% of the proposed QIP size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations; and it is clarified that QIBs belonging to the same group or who are under the same control shall be deemed to be a single allottee;
- f) a minimum of 10% of the Eligible Securities shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs, in accordance with the ICDR Regulations;
- g) the tenure of the convertible or exchangeable eligible securities issued through qualified institutions placement shall not exceed sixty months from the date of allotment;
- h) the schedule of the QIP will be as determined by the Board or its duly authorized committee; and
- i) the detailed terms and conditions for the offer will be determined in consultation with the advisors, lead manager(s) and underwriters and such other authority or authorities as may be required, considering the prevailing market conditions and other regulatory requirements.

The Company is yet to identify the investor(s) and decide the quantum of Securities to be issued to them. Hence, the details of the proposed allottees, percentage of post issue of Securities that may be held by them and other details are not available at this point of time and shall be disclosed by the Company under the applicable regulations in due course (at appropriate time and mode). Accordingly, it is proposed to authorize the Board or duly authorized committee to identify the investor(s), issue such number of Securities, negotiate, finalize and execute such documents and agreements as may be required and do all such acts, deeds and things in this regard for and on behalf of the Company.

As the Issue may result in the issue of Eligible Securities of the Company to investors who may or may not be Members of the Company, consent of the Members is being sought pursuant to Sections 23, 42, 62(1)(c), 71 and other applicable provisions, if any, of the Companies Act, 2013 and any other law for the time being in force and being applicable and in terms of the provisions of the SEBI Listing Regulations and SEBI ICDR Regulations

In terms of Section 102(1) of the Companies Act, 2013, none of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding, if any, in the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their Directorship and Shareholding, in the resolution set out at Item No. 10 of the Notice.

The Board believes that the proposed QIP issue is in the best interest of the Company and therefore recommends the Special Resolution as set forth in Item No. 10 for the approval of the Members.

ITEM NO. 11

(A) TO APPROVE 'PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED - EMPLOYEE STOCK OPTION PLAN 2024' ('PARAS DEFENCE ESOP 2024')

(B) TO EXTEND APPROVAL OF 'PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED - EMPLOYEE STOCK OPTION PLAN 2024' TO THE EMPLOYEES OF COMPANY, ITS SUBSIDIARY COMPANY (IES) AND/ OR ASSOCIATE COMPANY(IES), GROUP COMPANY(IES) [PRESENT AND FUTURE]

Stock Options represent a reward system based on performance. They help companies to attract, retain and motivate the best available talent. Options also provide a company with an opportunity to optimise its personnel costs. This also provides an opportunity to the employees to participate in the growth of the company, besides creating long term wealth in their hands.

Further, as the business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the company. Your Company believes in rewarding its Employees including Employees of Company, its Subsidiary Company (ies) and/ or Associate Company(ies), Group Company(ies) [present and future] for their continuous hard work, dedication and support, which has led and will lead the Company on the growth path.

The reasons why the Company is intending to extend its scheme to the Employee(s) of its Company, its Subsidiary Company (ies) and/ or Associate Company(ies), Group Company(ies) [present and future] ("entities") are as below:

- The said entities are critical to the operations of the Company.
- The said entities do not have any other similar schemes of their own. The said entities are unlisted, hence, from a liquidity perspective it is logical to give stock options of the Company to the employees of such entities.

Keeping in line with the above, 'Paras Defence and Space Technologies Limited - Employee Stock Option Plan 2024' ('Paras Defence ESOP 2024') has been formulated by the Company and to be implemented by Board / Nomination & Remuneration Committee in terms of provisions of Companies Act, 2013 and rules made thereunder, Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the requirements of SEBI (SBEB and Sweat Equity) Regulations issued by Securities and Exchange Board of India (SEBI) and other applicable laws. The Scheme has been approved by the Board of Directors at their meeting held on August 27, 2024, subject to the approval of the members.

The Paras Defence ESOP 2024 will be operated and administered under the superintendence of the Company's Board of Directors, Nomination and Remuneration Committee of Board of Directors, the majority of whose members are Independent Directors as per the applicable Act/Regulations. The Board / Nomination and Remuneration Committee will formulate the detailed terms and conditions of the Paras Defence ESOP 2024 including:

- a. the quantum of options, shares or benefits as the case may be, per employee, per grant and in aggregate under a scheme;
- b. the kind of benefits to be granted under this scheme;
- c. the conditions under which options, shares or other benefits as the case may be, may vest in employees and may lapse in case of termination of employment for misconduct;
- d. the schedule for Vesting of the Options granted to Employees;
- e. The price at which the Options are to be granted from time to time (which will be the Exercise Price for the options at a future date);
- f. the exercise period within which the employee can exercise the options and that options would lapse on failure to exercise the same within the exercise period;
- g. the specified time period within which the employee shall exercise the vested options or in the event of termination or resignation;
- h. the right of an employee to exercise all the options, as the case may be, vested in him at one time or at various points of time within the exercise period;
- i. the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, inter alia, be taken into consideration by the Board/ committee:
 - i. the number and price of options shall be adjusted in a manner such that total value to the employee of the options remains the same after the corporate action;
 - ii. the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the employee(s) who is granted such options;
- j. the grant, vesting and exercise of shares, options or in case of employees who are on long leave;
- k. eligibility to avail benefits under this scheme in case of employees who are on long leave;
- l. the procedure for funding the exercise of options;

m. the procedure for buy-back of specified securities issued under relevant regulations, if to be undertaken at any time by the company, and the applicable terms and conditions, including:

- (i) permissible sources of financing for buy-back;
- (ii) any minimum financial thresholds to be maintained by the company as per its last financial statements; and
- (iii) limits upon quantum of specified securities that the company may buy-back in financial year.

For the purpose of this Clause, specified securities means as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

n. Amend any terms and conditions of any Options granted under the Scheme to the extent it is not inconsistent with the terms of the Scheme and not prejudicial to the interest of the Option Grantee.

o. frame suitable policies and procedures to ensure that there is no violation of securities laws including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time, by the trust, the company and its employees, as may be applicable.

p. Approve forms, writings and/or agreements for use in pursuance of the Paras Defence ESOP 2024.

q. Any other related or incidental matters.

Major details of the Paras Defence ESOP 2024 are as given below: -

a) Brief Description of the Paras Defence ESOP 2024 scheme is given as under:

‘Paras Defence and Space Technologies Limited - Employee Stock Option Plan 2024’ (“Paras Defence ESOP 2024”) has been formulated by the Company and to be implemented by its Board of Directors / Nomination & Remuneration Committee in terms of provisions of Companies Act, 2013 and rules made thereunder, Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws. The Paras Defence ESOP 2024 has been approved by the Board of Directors at their meeting held on August 27, 2024, subject to the approval of the members.

b) The total number of options to be offered and granted

The total number of Options that may, in the aggregate, be issued would be such number of Options which shall entitle the Option holders to acquire in one or more tranches upto 7,95,000

(Seven Lakhs Ninety Five Thousand) equity shares of ₹ 10/- (Rupees Ten) each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).

In case of any corporate action(s) such as rights issues, bonus issues, buy-back, scheme of arrangement, merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional equity shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling shares shall be deemed to be increased to the extent of such additional equity shares issued.

An Employee may surrender his/her vested / unvested options at any time during / post his employment with the company. Any employee willing to surrender his/her Options shall communicate the same to the Board of Directors or Committee of the Company in writing.

Vested Options lapsed due to non-exercise, surrender and/or unvested Options that gets cancelled due to resignation or any other separation conditions of Option grantees, surrendered or otherwise, would be available for being re-granted at a future date. The Board/ Committee is authorized to re-grant such lapsed / cancelled / surrendered options as per the provisions of Paras Defence ESOP 2024.

c) Identification of classes of employees entitled to participate and be beneficiaries in the Paras Defence ESOP 2024.

Following class / classes of employees are entitled to participate in Paras Defence ESOP 2024:

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (ii) a Director of the Company, whether a whole time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group, but excluding an independent Director; or
- (iii) an employee as defined in sub-clauses (i) or (ii), of a Group Company including Subsidiary or its Associate Company, in India or outside India, but does not include—
 - (a) an Employee who is a Promoter or a person belonging to the Promoter group; or
 - (b) a Director who, either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding equity Shares of the Company;

The class of Employees eligible for participating in the Paras Defence ESOP 2024 shall be determined on the basis of the grade, length of service, performance record, merit of the Employee, future potential contribution by the Employee, role assigned to the Employee and such other parameters as may be decided by the Board of Directors/ Nomination and Remuneration Committee of the Company in its sole discretion from time to time.

The Options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

d) Requirements of vesting and period of vesting

Vesting of Options may commence after a period of not less than 1 (one) year from the date of individual grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the Paras Defence ESOP 2024.

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising*:

Sr. No.	Separations	Vested Options	Unvested Options
1	Resignation	Subject to the terms and conditions, all Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day or before the expiry of the Exercise period, whichever is earlier.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	Termination (With cause like fraud, misconduct etc.)	All Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Termination (Without cause)	All Vested Options which were not exercised at the time of such termination may be exercised by the Option Grantee on or before his last working day or before the expiry of the Exercise period, whichever is earlier.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
4	Retirement or early Retirement approved by Company	All vested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.	All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.
5	Death	All Vested Options, granted under a Scheme to him/ her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominees of the deceased Employee, as the case may be and such Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 12 months from the date of Death.	All Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within 12 months from the date of Death.
6	Permanent Disability	All Vested Options, granted to him/her under a Scheme as on the date of permanent incapacitation shall vest in him/her on that day and such Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 12 months from the date of such disability.	All Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 12 months from the date of such disability.
7	Abandonment**	All the Vested Options shall stand cancelled.	All the Unvested Options shall stand cancelled.
8	Any other reason not specified above	The Committee or any other Board Committee as due authorized shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

*In case of any regulatory changes warranting any change in vesting schedule/ conditions/exercise period in any of the above separation conditions, the provisions of such change shall apply.

**The Board/Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned. Provided that, in accordance with Applicable Law, notwithstanding anything to the contrary contained herein, the Company shall not vary the terms of the Scheme in any manner which may be detrimental to the interests of the Employees.

e) Maximum period within which the options shall be vested

The maximum vesting period may extend up to 7 (Seven) years from the date of respective grant of Options, unless otherwise decided by the Board/ Nomination and Remuneration Committee.

The Board of Directors / Nomination and Remuneration Committee, shall have, subject to the applicable law (and subject to a minimum vesting period of 1 year) the right, to vest all or part of the Unvested Options in an accelerated manner from out of the options granted and outstanding to the employees.

f) Exercise price or pricing formula

Exercise Price means the price, if any, payable by an employee for exercising the option granted to such an employee in pursuance of Paras Defence ESOP 2024.

The Exercise Price shall be as may be decided by the Board/ Committee as is allowed under the Companies Act / SEBI (SBE and Sweat Equity) Regulations which in any case will not be lower than the face value of the equity shares of the Company on the date of such grant. Further the Exercise Price can be different for different set of Employees for Options granted on same / different dates. The same shall be subject to any fair and reasonable adjustments that may be made on account of corporate actions of the Company in order to comply with the applicable laws.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board / Committee may decide.

No amount shall be payable by the Option Grantee at the time of grant. Further, no amount paid/ payable by the Employee at the time of the grant, vesting or exercise of the Options, hence, no amount is required to be forfeited if the Employee does not exercise the same within the exercise period.

g) Exercise period and process of exercise

The exercise period shall not be more than 5 (Five) years from the date of respective vesting of Options. The Options granted may be exercised by the grantee at one time or at various points of time within the exercise period as determined by the Board of Directors/Committee from time to time.

The vested Options shall be exercisable by the Employees by a written application (or by electronic

means through a software) to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Board of Directors/ Nomination and Remuneration Committee from time to time. The Options shall lapse if not exercised within the specified exercise period. The Options may also lapse, under certain circumstances even before the expiry of the specified exercise period.

h) Appraisal Process for determining the eligibility of Employees to the Paras Defence ESOP 2024

The appraisal process for determining the eligibility of the Employee(s) will be specified by the Board of Directors / Nomination and Remuneration Committee and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/ or by any such criteria that may be determined by the Board of Directors/ Nomination and Remuneration Committee.

i) Maximum number of Options to be offered and issued per Employee and in the aggregate Paras Defence ESOP 2024

The maximum number of options to be granted per employee, per grant and in aggregate shall not exceed 7,95,000 (Seven Lakhs Ninety Five Thousand).

Further, the number of Options that may be granted to any identified Employee(s) of the Company or its Subsidiary Company(ies), Associate Company(ies), Group Company(ies) (in any one year under Paras Defence ESOP 2024 shall not be equal to or exceeding 1% of the Issued Capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Options, if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

j) Maximum quantum of benefits to be provided per Employee under the Paras Defence ESOP 2024

The maximum quantum of benefits shall refer to the maximum number of Options that may be granted to each per employee, per grant and in aggregate.

No benefit other than grant of Options under Paras Defence ESOP 2024, and any consequential grant of equity shares of the Company is contemplated under Paras Defence ESOP 2024. Therefore, the maximum quantum of benefits under Paras Defence ESOP 2024 is the difference between the market value of the equity shares of the Company, and the exercise price of the Options, as on the date of exercise.

k) Whether Paras Defence ESOP 2024 is to be implemented and administered directly by the Company or through a trust

The Paras Defence ESOP 2024 will be implemented directly by the Company under the guidance of the Board of Directors/ its Nomination and Remuneration Committee.

l) Whether Paras Defence ESOP 2024 involves new issue of shares by the Company or secondary acquisition by the trust

The Paras Defence ESOP 2024 will involve only new issue of shares by the Company.

m) The amount of loan to be provided for implementation of the Paras Defence ESOP 2024 by the Company to the trust, its tenure, utilization, repayment terms, etc.

Not Applicable.

n) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Paras Defence ESOP 2024

Not Applicable.

o) Disclosure and accounting policies

The Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options, including but not limited to SEBI (SBEB and Sweat Equity) Regulations as well as section 133 of the Companies Act, the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Regulatory authorities from time to time, including the disclosure requirements prescribed therein.

The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features/Scheme document of the Paras Defence ESOP 2024 in a format as prescribed under SEBI (SBEB and Sweat Equity) Regulations, 2021.

The Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under the Companies Act, 2013 read with rules made thereunder and under SEBI (SBEB and Sweat Equity) Regulations or any other Applicable Laws as in force.

p) Method of valuation of Options

The Company will follow IFRS/ IND AS/ any other requirements for accounting of the stock Options as are applicable to the Company for the same.

Since the Company opts for expensing of share based employee benefits using the fair value method, the following statement will not be applicable viz.

In case the Company opts for expensing of share based employee benefits using the intrinsic value intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Directors' Report.

q) Lock-in period, if any

The Shares issued upon exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such exercise. However, the Board or Committee as may be authorised by the Board may, in some cases, provide for lock-in of Shares issued upon exercise of Options, which shall be mentioned in grant letter issued to the Option Grantee.

Provided that the transferability of the Shares shall be subject to the restriction for such period in terms of the Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended from time to time or for such other period as may be stipulated from time to time in terms of Company's Code of Conduct for Prevention of Insider Trading, as and when these regulations applicable to the Company.

r) Terms & conditions for buyback, if any, of specified securities covered under the SEBI (SBEB and Sweat Equity) Regulations

The procedure for buy-back of specified securities issued under SEBI SBEB and Sweat Equity Regulations, if to be undertaken at any time by the company and the applicable terms and conditions, including:

- (i) permissible sources of financing for buy-back;
- (ii) any minimum financial thresholds to be maintained by the company as per its last financial statements; and

- (iii) limits upon quantum of specified securities that the company may buy-back in financial year.
- For the purpose of this Clause, specified securities means as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- s) Rights of the Option holder**
- The Employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of the Option granted to him, till shares are allotted upon exercise of Option.
- t) Consequence of failure to exercise Option**
- All unexercised Options shall lapse if not exercised on or before the exercised period ends.
- Further, no amount paid/payable by the Employee at the time of the grant, vesting or exercise of the Options, hence, no amount is required to be forfeited if the Employee does not exercise the same within the exercise period.
- u) Certificate from Secretarial Auditors**
- The Board of Directors shall at each annual general meeting place before the Members a certificate from the secretarial auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.
- v) Terms of the scheme:**
- 1) The Company shall not vary the terms of the Paras Defence ESOP 2024 in any manner, which may be detrimental to the interests of the Option grantees: Provided that the Nomination and Remuneration Committee shall be entitled to vary the terms of the Paras Defence ESOP 2024 to meet any regulatory requirements without seeking shareholder's approval by special resolution in terms of regulation 7 of SEBI (SBEB and Sweat Equity) Regulations.
 - 2) Subject to clause (a) of sub-rule (5) of Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and relevant regulation of SEBI (SBEB and Sweat Equity) Regulations, the Company may by special resolution in a general meeting vary the terms of the scheme offered pursuant to an earlier resolution of the general body but not yet exercised by the Employee provided such variation is not prejudicial to the interests of the Option grantees.
- 3) The notice for passing special resolution for variation of terms of the Paras Defence ESOP 2024 scheme shall disclose full details of the variation, the rationale therefore and the details of the Option grantees who are beneficiaries of such variation.
 - 4) The Company may re-price the Options as the case may be which are not exercised, whether or not they have been vested if the terms of the grants were rendered unattractive due to fall in the price of the shares in the stock market; provided that the Company ensures that such re-pricing shall not be detrimental to the interest of the Option grantees and approval of the Members in general meeting has been obtained for such re-pricing.
- w) Transferability of Employee Stock Options:**
- 1) The Options granted to an Employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.
 - 2) In the event of resignation or termination of the Option grantee, all the Options which are granted and yet not vested as on that day shall lapse.
 - 3) In the event that an Option grantee who has been granted benefits under a Paras Defence ESOP 2024 scheme is transferred or deputed to its Subsidiary Company(ies) or Associate Company(ies) or Group Company(ies) (present or future) prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed Employee, even after the transfer or deputation.
- x) Other terms**
- The Board or Nomination and Remuneration Committee shall have the absolute authority to vary, modify or alter the terms of the Paras Defence ESOP 2024 in accordance with the Companies Act, 2013, as amended read with rules made thereunder, any regulations and guidelines as prescribed by



the SEBI or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option grantees.

The Board of Directors or Nomination and Remuneration Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the Paras Defence ESOP 2024, subject to compliance with the applicable laws and regulations.

The shares may be allotted directly to the Option grantees in accordance with the Paras Defence ESOP 2024 and such Paras Defence ESOP 2024 may also contain provisions for providing financial assistance to the Employees to enable the Employees to acquire or subscribe to the shares.

Consent of the members is sought pursuant to the provisions of section 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013, as amended and as per the requirement of regulation 6 of the SEBI (SBEB and Sweat Equity) Regulations.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. 11(A) and 11(B), except to the extent of their shareholding entitlements, if any, under the Paras Defence ESOP 2024 scheme.

Your directors recommend the Resolution set 11(A), and 11(B) of the Notice for approval by the Members as Special Resolution/s.

For and on behalf of the Board of Directors of
Paras Defence and Space Technologies Limited

Date: August 27, 2024

Place: Navi Mumbai **Jajvalya Raghavan**
Company Secretary and Compliance Officer

Registered Office:

D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai – 400706

Tel. No. +91-22-6919 9999

Fax No. +91-22-6919 9990

E-mail: business@parasdefence.com

Website: www.parasdefence.com

CIN: L29253MH2009PLC193352

Board's Report

To

The Members

Paras Defence and Space Technologies Limited

The Directors of your Company are pleased to present Fifteenth Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended March 31, 2024.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Revenue from Operations	23,243.45	21,427.96	25,349.82	22,242.59
Other Income	934.00	833.30	827.17	822.43
Total Income	24,177.45	22,261.26	26,176.99	23,065.02
Less: Total Expenditure	19,715.17	17,588.57	22,124.45	18,367.39
Less: Share of loss of associate	-	-	5.69	13.13
Profit Before Tax	4,462.28	4,672.69	4,046.85	4,684.50
Less: Income tax	1,250.58	1,173.48	1,256.79	1,185.41
Less: Deferred Tax	(100.21)	(28.87)	(103.32)	(30.21)
Less: Income Tax for earlier years	(111.59)	(64.74)	(110.41)	(64.74)
Profit after Tax	3,423.50	3,592.82	3,003.79	3,594.04
Other Comprehensive Income (net of taxes)	36.27	6.08	34.18	-
Total Comprehensive Income for the year	3,387.23	3,586.74	2,969.61	3,594.04

On standalone basis, the total income for the financial year ended March 31, 2024 was ₹ 24,177.45 Lakhs, which is 8.61 % more than the previous year's income of ₹ 22,261.26 Lakhs. Our total income on consolidated basis for the financial year ended March 31, 2024 was ₹ 26,176.99 Lakhs as against ₹ 23,065.02 Lakhs for the financial year ended March 31, 2023.

On standalone basis, the net profit after tax (PAT) for the financial year ended March 31, 2024 stood at ₹ 3,423.50 Lakhs as against previous year's net profit of ₹ 3,592.82 Lakhs thereby recording a decline of 4.71 %. Our net profit after tax (PAT) on consolidated basis for the financial year ended March 31, 2024 amounted to ₹ 3,003.79 Lakhs as compared to ₹ 3,594.04 Lakhs in the previous year.

2. TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profits for FY 2023-24 in the Retained Earnings.

3. DIVIDEND AND TRANSFER TO IEPF

The Board of Directors has not recommended dividend on equity shares for the FY 2023-24. The Company was not required to transfer any unpaid / unclaimed amount of dividend to IEPF during the financial year ended March 31, 2024.

The Company has in place a Dividend Distribution Policy in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is available on the Company's website at <https://www.parasdefence.com/investors>.

4. STATE OF THE COMPANY'S AFFAIRS

The information on Company's affairs and related aspects is provided under Management Discussion and Analysis Report, which has been prepared, inter-alia, in compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms part of this Report.

5. CHANGE IN THE NATURE OF BUSINESS

There were no changes in the nature of business during the financial year ended March 31, 2024.

6. MATERIAL CHANGES AND COMMITMENT, IF ANY AFFECTING FINANCIAL POSITION OF THE COMPANY

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

7. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans given, investments made, guarantees given and securities provided during the year and as covered under Section 186 of the Companies Act, 2013 form part of the notes to the standalone financial statements of the Company provided in this annual report.

8. DEPOSITS

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 (“the Act”) read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with Chapter V of the Act is not applicable.

9. DETAILS OF SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

A. SUBSIDIARIES

As on March 31, 2024, the Company has 7 (Seven) Subsidiaries, out of which 6 (Six) are Indian Subsidiaries and 1 (One) is Foreign Subsidiary.

The details of the Subsidiaries are as follows:

Name of the Company	Type of Subsidiary	Date of Incorporation
#Paras Green UAV Private Limited	Indian Wholly Owned Subsidiary	29/10/2018
*Opel Technologies Pte. Ltd.	Foreign Wholly Owned Subsidiary	02/01/2019
Paras Aerospace Private Limited	Indian Subsidiary	13/02/2019
Paras Anti-Drone Technologies Private Limited	Indian Subsidiary	25/02/2019
Ayatti Innovative Private Limited	Indian Subsidiary	13/08/2018
Quantico Technologies Private Limited	Indian Wholly Owned Subsidiary	30/12/2023
Mechtech Thermal Private Limited	Indian Subsidiary	11/01/2024

#Name of the Company has been changed from “Paras Green Optics Private Limited” to “Paras Green UAV Private Limited” w.e.f. February 23, 2024.

*Opel Technologies Pte. Ltd. became a material subsidiary of your Company w.e.f. April 01, 2023.

B. ASSOCIATE COMPANIES

As on March 31, 2024, there are 2 (Two) Associate Companies within the meaning of Section 2(6) of the Companies Act, 2013.

The details of the Associate Companies are as follows:

Name of the Company	Date of Incorporation
Krasny Paras Defence Technologies Private Limited	10/11/2021
Controp-Paras Technologies Private Limited	31/07/2023

C. JOINT VENTURE

As on March 31, 2024, there is no Joint Venture within the meaning of Section 2(6) of the Companies Act, 2013.

10. PERFORMANCE AND FINANCIAL HIGHLIGHTS OF SUBSIDIARY COMPANIES AND THEIR CONTRIBUTION TO OVERALL PERFORMANCE OF THE COMPANY

The consolidated financial statements of the Company forms a part of this Annual Report. A Statement containing salient features of the financial statement of subsidiaries pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 are enclosed as Annexure - 1 to this report.

11. SHARE CAPITAL

A. Authorized share capital

The Authorised Share Capital of the Company is ₹ 6,050 Lakhs. During the period under review, there was no change in the authorised share capital of the Company.

B. Issued, Subscribed and Paid-up Share Capital

The Issued, Subscribed and Paid-up Share Capital of the Company is ₹ 3,900 Lakhs. During the period under review, no allotment of securities have been made by the Company.

12. BONUS SHARES/ EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS/ESOP/SWEAT EQUITY

During the year under review, the Company has not issued any equity shares with differential voting rights nor has granted any stock options or sweat equity.

As on March 31, 2024, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

13. ISSUE OF DEBENTURES, BONDS AND ANY OTHER NON-CONVERTIBLE SECURITIES/WARRANTS

During the year under review, the Company has not issued any debentures, bonds and any other non-convertible securities nor Company has issued any warrants.

14. CREDIT RATING

During the year under review, your Company has been rated by CRISIL Ratings Limited (“CRISIL”) for its bank facilities as follows:

CRISIL Ratings Limited			
Instrument Type	Size of Issue (₹ in Cr.)	Rating Outlook	Rating Action
Bank Guarantee	23.00	CRISIL A2+	Reaffirmed
Cash Credit	39.00	CRISIL A-/ Stable	Upgraded / Outlook revised to Stable from Positive
Letter of Credit	5.00	CRISIL A2+	Reaffirmed
Long Term Loan	10.00	CRISIL A-/Stable	Upgraded / Outlook revised to Stable from Positive
Pre Shipment Credit	7.00	CRISIL A2+	Reaffirmed
Proposed Term Loan	19.00	CRISIL A- / Stable	Upgraded / Outlook revised to Stable from Positive

15. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls with reference to the financial statements. The Audit Committee reviews the internal control systems at regular intervals internally, the adequacy of internal audit function and significant internal audit findings with the management, also update and recommend the same to the Board for their review.

16. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Composition of Board of Directors

The composition of Board of Directors of the Company as on March 31, 2024 is as follows:

Name of Director	DIN	Category
Sharad Virji Shah	00622001	Promoter, Chairman & Non-Executive Non- Independent Director
Munjal Sharad Shah	01080863	Promoter, Managing Director
Shilpa Amit Mahajan	01087912	Whole-Time Director
Manmohan Handa	06942720	Non-Executive Independent Director
Hina Amol Gokhale	08712659	Non-Executive Independent Director
Suresh Katyal	08979402	Non-Executive Independent Director

B. Changes in the position of Directors of the Company

The details of change in position of Directors of the Company, during the year under review, are given in the table as hereunder:

Name of Director	Designation	Nature of Change (Appointment/ Reappointment/Cessation)	Date of Shareholders Approval	Tenure
Mr. Munjal Sharad Shah (DIN: 01080863)	Managing Director	Reappointment	November 20, 2023	For a period of 5 (five) years effective from March 14, 2024 to March 13, 2029
Mrs. Shilpa Amit Mahajan (DIN: 01087912)	Whole-Time Director	Reappointment	September 29, 2023	For a period of 5 (five) years with effect from September 29, 2023 to September 28, 2028
Mr. Manmohan Handa (DIN:06942720)	Non-Executive Independent Director	Reappointment	November 20, 2023	For a second term of five years commencing from January 07, 2024 to January 06, 2029

C. Retirement by rotation and subsequent reappointment

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company’s Articles of Association, Mr. Munjal Sharad Shah (DIN: 01080863), retires by rotation at the forthcoming Fifteenth Annual General Meeting and being eligible has offered himself for reappointment.

D. Key Managerial Personnel (KMP)

The composition of Key Managerial Personnel of the Company as on March 31, 2024 is as follows:

Name of Key Managerial Personnel	Category
Munjal Sharad Shah	Managing Director
Shilpa Amit Mahajan	Whole-Time Director
Harsh Dharendra Bhansali	Chief Financial Officer
Jajvalya Raghavan	Company Secretary and Compliance Officer

E. Changes in the position of Key Managerial Personnel other than Directors of the Company

The details of change in position of Key Managerial Personnel of the Company during the year under review are given in the table as hereunder:

Name of Key Managerial Personnel	Designation	Nature of Change (Appointment/Cessation)	Date of Appointment/Cessation
Jajvalya Raghavan	Company Secretary and Compliance Officer	Appointment	February 09, 2024
Hemalkumar Hiranbhai Sagalia	Company Secretary and Compliance Officer	Cessation	December 13, 2023

Apart from the above, there was no other change in the composition of the Key Managerial Personnel during the period under review.

F. Declarations Given by Independent Directors

The Company has received necessary declarations and disclosures from the Independent Directors under Section 149(7) and Section 184(1) of the Companies Act, 2013 ("the Act") stating that they meet the criteria of independence as laid down in Section 149(6) of the Act and under the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and disclosing their interest in form MBP-1. All the Directors have certified that the disqualifications mentioned under Sections 164, 167 and 169 of the Act do not apply to them. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Act.

The Board of the Company has taken the disclosures on record after verifying the due veracity of the same. In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency required to be Independent Directors of the Company, fulfil the conditions of independence as specified in the Act and the SEBI Listing Regulations and are independent of the management and have also complied with the Code for Independent Directors as prescribed in Schedule IV of the Act. All the Independent Directors of the Company are also registered with the databank of Independent Directors as required under the provisions of the Act.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any.

The Directors and the senior management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel during the year under review.

G. Board and Committee Meetings

I. Board Meetings

The Board of Directors met 9 (Nine) times during the financial year under review. The details of the Board meetings and attendance of each Director thereat are provided in the Corporate Governance Report forming part of the Annual Report as Annexure - 2.

II. Committees of the Board

The Company has 5 (Five) Board-Level Committee(s), which have been established in compliance with the provisions of the Act and SEBI Listing Regulations:

i. Audit Committee

The Company's Audit Committee composition is in line with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Members of the Audit Committee are financially literate and have requisite accounting and financial management expertise. The composition, terms of reference of the Audit Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of the Annual Report. During the year under review, all the recommendations of the Audit Committee in terms of its reference were considered positively by the Board of Directors of your Company.

ii. Other Committees

The details of other Committees of the Board are given under the Report on Corporate Governance section forming part of this Annual Report and the list of Committees of the Board is also available on the website of the Company viz. www.parasdefence.com.

17. COMPLIANCE WITH SECRETARIAL STANDARDS

During the period from April 01, 2023 to March 31, 2024, the Company complied with the Secretarial Standard – 1 and Secretarial Standard – 2, issued by the Institute of Company Secretaries of India.

18. SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's Sustainability, Environment, Social and Governance Report is provided separately as part of the Annual Report.

The brief outline of the Company's CSR initiatives undertaken during the year under review is furnished in Annexure-3 in the format as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. The Company's CSR Policy is placed on the website of the Company <https://www.parasdefence.com/investors>.

The brief terms of reference, particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of the Annual Report.

19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has formulated a Policy on Related Party Transactions and the same can be accessed using the following link: <https://www.parasdefence.com/investors>.

During the year under review, all other contracts / arrangements / transactions entered by the Company with Related Parties were in the ordinary course of business and on an arm's length basis. A statement giving details of all Related Party Transactions, as approved, is placed before the Audit Committee for review on a quarterly basis. The details of the transactions entered into between the Company and the related parties under Sections 188 and 134(3)(h) of the Act, are given in AOC - 2 enclosed as Annexure - 4 to this report.

The Disclosures as required under Indian Accounting Standard – 24 (Ind AS-24) "Related Party Disclosures" notified under Rule 7 of the Companies (Accounts) Rules, 2014 have been provided in notes forming part of the Standalone Financial Statements.

20. PARTICULARS OF REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND EMPLOYEES AND DISCLOSURES IN BOARD'S REPORT

The information required under Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in this Report. In terms of first proviso to Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the members excluding the certain information covered under aforesaid Annexure. Any member interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company. None of

the employees listed in the said Annexure - 5 is related to any Director of the Company except to the extent specified in the Financial Statements.

The disclosure on remuneration of Directors, Key Managerial Personnel and Employees as required under the Companies Act, 2013 and Rules made thereunder is enclosed as Annexure - 5 to this Report.

21. MANAGEMENT DISCUSSION AND ANALYSIS

In terms of provisions of Regulation 34(2)(e) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report is enclosed as Annexure - 6 to this Report.

22. BOARD EVALUATION

Pursuant to provisions of Section 134(3)(p) of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014 and in terms of framework of Nomination and Remuneration Policy, the Nomination and Remuneration Committee and Board of Directors have carried out annual performance evaluation of the Directors.

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is enclosed as Annexure - 7 to this report.

24. AUDITORS

I. Statutory Auditors

Members of the Company at the AGM held on September 29, 2023, approved the reappointment of M/s. Chaturvedi & Shah LLP, Chartered Accountants (FRN: 101720W/W100355) ('C&S'), as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of the 14th AGM held on September 29, 2023 until the conclusion of 19th AGM of the Company to be held in the year 2028.

The Auditors have issued an unmodified opinion on the Financial Statements, both standalone and consolidated, for the financial year ended March 31, 2024. The said Auditors' Report(s) for the financial year ended March 31, 2024 on the financial statements of the Company forms part of this Annual Report.

II. Cost Auditors

The provisions of Section 148 of the Companies Act, 2013 for maintaining the Cost Records are applicable to the Company.

Accordingly, the Company is maintaining the Cost Records as specified by the Central Government

under the Rules made there under Section 148 of the Companies Act, 2013. Pursuant to the provisions of Section 148(3) of the Companies Act, 2013, the Board of Directors had appointed M/s. Dinesh Jain & Company, Cost Accountant, Mumbai (FRN: 100583), as Cost Auditors of the Company, for conducting the audit of cost records for the financial year ended March 31, 2024. A proposal for ratification of remuneration of the Cost Auditors is placed before the shareholders.

III. Secretarial Auditors

During the year under review, the Board of Directors had appointed M/s. DM & Associates, Company Secretaries LLP (FRN: L2017MH003500), Practicing Company Secretaries as the Secretarial Auditors to conduct secretarial audit of the Company for the financial year 2023-24. The secretarial audit report in Form MR-3 as issued by them is enclosed as Annexure - 8 to this Report. The comments provided by them are self-explanatory and hence does not require comments from the Board.

The Secretarial Audit was not applicable to any of the subsidiaries of the Company during the year under review.

IV. Internal Auditors

During the year under review, the Board of Directors had appointed M/s. Shaparia Mehta & Associates LLP, Independent Chartered Accountant Firm, as Internal Auditors for conducting the internal audit functions of the Company who have submitted their report thereon for the financial year 2023-24 to the Board and Committee for its review.

25. STATUTORY AUDITORS' REPORT

The Auditors' Report on the Financial Statements (Standalone and Consolidated) of the Company for the year under review, "with an unmodified opinion", as given by the Statutory Auditors, is disclosed in the Financial Statements forming part of this Annual Report. The Auditors' Report is unmodified and there are no qualifications or adverse remarks in their Report. Also, no frauds in terms of the provisions of Section 143(12) of the Companies Act, 2013 have been reported by the Statutory Auditors in their report for the year under review.

26. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no qualifications, reservations or adverse remarks made by the Auditors (Statutory Auditors and Secretarial Auditors) in their report. Hence, no comments are offered by the Board of Directors.

27. ANNUAL RETURN

In compliance with Section 92(3) of the Companies Act, 2013 ("the Act") read with Section 134(3) of the Act, the Annual

Return of the Company as on March 31, 2024 will be available on the website of the Company at <https://www.parasdefence.com/annual-returns/>

28. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors, based on the representations received from the operating management and after due enquiry, confirm 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) they 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 March 31, 2024 and of the profit of the Company for that period;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they had prepared the annual accounts on a going concern basis;
- e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. HUMAN RESOURCES / INDUSTRIAL RELATIONS, INCLUDING NUMBER OF PEOPLE EMPLOYED

Your Company provides regular training to employees to improve skills. Your Company has put in place a performance appraisal system that covers all employees. Your Company had 418 permanent employees as on March 31, 2024 while the count was 404 as on March 31, 2023.

30. CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). A separate section on corporate governance under the SEBI Listing Regulations, along with the certificate from the Practicing Company Secretary confirming the compliance, is enclosed as Annexure – 2D of this report.

31. COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

Your Company has adopted a policy relating to appointment of Directors, payment of managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

32. RISK MANAGEMENT POLICY

In line with regulatory requirements, the Company has framed risk management policy to identify and access with the regulatory risk areas and a risk mitigation process. A detailed exercise is being carried out at regular interval to identify, evaluate, manage and monitor all business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

33. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT A WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT 2013

The Company is committed to provide a healthy environment to all the employees and thus does not tolerate any sexual harassment at workplace. The Company has in place, "Policy on prevention, Prohibition and Redressal of Sexual Harassment." The policy aims to provide protection to employees at the workplace and preventing and redressing complaints of sexual harassment and it covers matters connected or incidental thereto. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, the Company has not received any compliant of sexual harassment.

34. WHISTLE BLOWER POLICY / VIGIL MECHANISM

Pursuant to Section 177(9) read with Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has duly established Whistle Blower Policy /Vigil Mechanism Policy ("Policy") to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct. The functioning of the Policy is reviewed by the Audit Committee / Board on periodical basis. During the financial year ended March 31, 2024, the Company has not received any complaint under the Whistle Blower Policy of the Company.

35. CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the members of the Board of Directors and Senior Management Personnel. It is confirmed that all Directors and Senior Management Personnel have affirmed their adherence to the provisions of the Code of Conduct during the financial year 2023-24.

36. POLICIES AND DISCLOSURE REQUIREMENTS

In terms of provisions of the Companies Act, 2013 and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted the policies, which are available on Company's website – <https://www.parasdefence.com/investors>.

37. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

The Company has provided Business Responsibility and Sustainability Report in line with the requirement based on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' notified by Ministry of Corporate Affairs (MCA). Pursuant to the provisions of Regulation 34 of the SEBI Listing Regulations, the said report is attached separately, which forms part of this Annual Report.

38. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

During the year, there were no significant material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

39. 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

During the year under review, there was no instance of one-time settlement with banks or financial institutions, hence the requirement to disclose the details of difference between the 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, is not applicable.



40. IBC CODE & ONE-TIME SETTLEMENT

There is no proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (IBC Code). There has not been any instance of one-time settlement of the Company with any bank or financial institution.

41. ACKNOWLEDGEMENTS

Your Board takes this opportunity to thank all its employees for their dedicated service and firm commitment to the goals of the Company. Your Board also wishes to place on record its sincere appreciation for the wholehearted support received from members, clients, bankers and all other business associates. We look forward to continued support of all these partners in progress.

For and on behalf of the Board of Directors

Paras Defence and Space Technologies Limited

Sharad Virji Shah

Chairman & Non- Executive Director

DIN: 00622001

Munjal Sharad Shah

Managing Director

DIN: 01080863

Date: August 27, 2024

Place: Navi Mumbai

Registered Office:

D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai – 400706

Tel. No. +91-22-6919 9999

Fax No. +91-22-6919 9990

E-mail: business@parasdefence.com

Website: www.parasdefence.com

CIN: L29253MH2009PLC193352

ANNEXURE – 1

FORM AOC – 1

[Pursuant to first provision 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

(₹ in Lakhs)

Particulars	Details						
	Paras Green UAV Private Limited	Opel Technologies Pte. Ltd.	Paras Aerospace Private Limited	Paras Anti-Drone Technologies Private Limited	Ayatti Innovative Private Limited	Quantico Technologies Private Limited	Mechtech Thermal Private Limited
	Indian WOS	Foreign WOS	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary	Indian WOS	Indian Subsidiary
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Same as Holding Company	Same as Holding Company	Same as Holding Company	Same as Holding Company	Same as Holding Company	Same as Holding Company	Same as Holding Company
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	Reporting Currency: USD Exchange Rate as on 31.03.2024: 1 USD = ₹ 83.37	NA	NA	NA	NA	NA
Share capital	1.00	0.06	101.00	101.00	262.00	10.00	10.00
Reserves & surplus	-2.78	190.78	-214.22	-56.45	-517.37	-1.30	-14.54
Total assets	13.79	1,257.09	4,210.87	376.08	653.49	10.45	28.78
Total Liabilities	15.57	1,066.26	4,324.09	331.53	908.86	1.75	33.32
Investments	-	-	3.46	-	-	-	-
Revenue from operations	-	2,675.03	1,690.50	193.39	-	-	-
Profit before tax	-5.50	85.59	-210.34	-76.30	-188.95	-1.30	-14.55
Provision for tax	1.37	-5.08	-4.97	2.70	1.69	-	0.01
Profit after tax	-4.14	80.51	-215.31	-73.60	-187.26	-1.30	-14.54
Proposed Dividend	-	0	0	0	0	0	0
% of shareholding	100%	100%	60%	55%	58.02%	100%	70%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: N.A.
- Names of subsidiaries which have been liquidated or sold during the year: N.A.

**Part B - Associate and Joint Ventures**

(₹ in Lakhs)

Particulars	Details	
	Krasny Paras Defence Technologies Private Limited	Controp-Paras Technologies Private Limited
Latest audited Balance Sheet Date	31.03.2024	31.03.2024
Reporting period for the Associate concerned, if different from the holding Company's reporting period	Not Applicable	Not Applicable
Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign Associates	Not Applicable	Not Applicable
Share capital	110.00	1.00
Reserves & surplus	-37.74	-4.35
Total assets	133.36	0.65
Total liabilities	61.10	4.00
Investments	-	-
Revenue from operations	64.24	-
Loss before tax	-10.39	-4.35
Provision for tax	1.18	-
Loss after tax	- 9.21	-4.35
Proposed Dividends	-	-
% of shareholding	47.50%	30%

Notes: The following information shall be furnished at the end of the statement:

- Names of Associates which are yet to commence operations - Nil
- Names of Associates which have been liquidated or sold during the year - Nil

For and on behalf of the Board of Directors

Paras Defence and Space Technologies Limited**Sharad Virji Shah**Chairman & Non -
Executive Director
DIN: 00622001**Munjal Sharad Shah**Managing Director
DIN: 01080863**Harsh Dharendra Bhansali**

Chief Financial Officer

Jajvalya RaghavanCompany Secretary & Compliance Officer
FCS: 11942

Date: August 27, 2024

Place: Navi Mumbai

ANNEXURE – 2

CORPORATE GOVERNANCE REPORT

FOR THE YEAR 2023-24

[As required under Schedule V(C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Pursuant to Regulation 15 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Company hereby discloses the compliances to the best extent possible in this Corporate Governance Report, which shall be forming part of Annual Report for the financial year 2023-24. In accordance with the provisions of the SEBI Listing Regulations, the report containing the details of Corporate Governance systems and processes of the Company is as follows, together with Auditors’ Certificate annexed to this Report, on compliance with the conditions of corporate governance laid down are presented in the report on Corporate Governance for the year ended March 31, 2024. Corporate governance provides that a Company is directed in such a way that it performs efficiently and effectively, keeping in view the long-term interest of the shareholders, while respecting laws and regulations of land and contributing, as responsible corporate citizens to the national exchequers.

1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company continues to remain committed to adhering to good corporate governance practices by maintaining the highest levels of fairness, transparency, accountability, ethics and values in all facets of its operations and in all its interactions with its stakeholders.

Your Company’s Corporate Governance framework is all about maintaining valuable relationship and trust with all stakeholders. We ensure that timely and accurate disclosure on all material

matters including the financial situation, performance and regulatory requirements, leadership and governance of the Company are shared with all the stakeholders. It encourages co-operation between the Company and the stakeholders for better participation in the Corporate Governance processes.

Your Company continues to believe that good corporate governance is essential for achieving long-term corporate goals of the Company and for meeting the needs and aspirations of its stakeholders.

2. BOARD OF DIRECTORS

The Board of Directors is the apex body constituted by shareholders for overseeing the Company’s overall functioning. The Board of Directors function in accordance with the powers delegated under the Companies Act, 2013 (“the Act”), SEBI Listing Regulations and Memorandum & Articles of Association as applicable to the Company.

(a) Composition of the Board

The Board comprises of 6 Directors which includes 1 Chairman & Non-Executive Non-Independent Director, 1 Managing Director, 1 Whole-time Director, 3 Non-Executive Independent Directors. None of the Directors on the Board is a member of more than 10 committees or acts as Chairman of more than 5 committees across all listed Companies and unlisted public limited Companies in which he/ she is a Director.

(b) Attendance of Directors at Board Meetings during the financial year ended March 31, 2024 and at the last Annual General Meeting (AGM)

Name of the members	Meeting Date									Total Meetings held during the year	No. of Meetings Attended	% of Attendance	Attended last AGM held on 29.09.2023
	10.04.2023	16.05.2023	07.08.2023	04.09.2023	21.09.2023	20.10.2023	06.11.2023	13.12.2023	09.02.2024				
Sharad Virji Shah	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9	9	100	No
Munjali Sharad Shah	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9	9	100	Yes
Shilpa Amit Mahajan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9	9	100	Yes
Manmohan Handa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9	9	100	Yes
Hina Amol Gokhale	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9	9	100	Yes
Suresh Katyal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9	9	100	Yes

(c) Details of Directorships and Board Level Committee Memberships/Chairmanship in Public Limited Companies (including Paras Defence) and number of shares held as on March 31, 2024:

Name	Category/ Designation in the Company	No. of other Directorship and Committee Chairmanship(s)/ Membership(s)			Particulars of Directorship in other listed entities	No. of shares held in the Company
		Directorship	Chairmanship	Membership		
Sharad Virji Shah (DIN: 00622001)	Chairman, Promoter, Non - Executive Non - Independent Director	0	1	1	-	72,74,840
Munjal Sharad Shah (DIN: 01080863)	Promoter, Managing Director	0	1	3	-	98,58,137
Shilpa Amit Mahajan (DIN: 01087912)	Whole-Time Director	0	0	1	-	7,00,000
Manmohan Handa (DIN: 06942720)	Non - Executive Independent Director	0	3	2	-	0
Hina Amol Gokhale (DIN: 08712659)	Non - Executive Independent Director	0	0	1	-	0
Suresh Katyal (DIN: 08979402)	Non - Executive Independent Director	0	0	3	-	0

(d) Disclosure of relationships between Directors inter-se

Mr. Sharad Virji Shah, Chairman and Non- Executive Non-Independent Director is the father of Mr. Munjal Sharad Shah, Managing Director of the Company. No other Director(s) of the Company and their relatives inter-se are related to each other.

(e) Shares and Convertible Instruments held by Non-Executive Directors

As on March 31, 2024, the Company does not have any convertible instruments. None of the Non-Executive Directors held Equity shares of the Company as on March 31, 2024.

(f) Weblink of Familiarisation Programmes Imparted to Independent Directors

The web link for familiarisation programmes imparted to Independent Directors is as follows: <https://www.parasdefence.com/investors>

(g) Core Competencies of Directors

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence. The Board provides an independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Board periodically evaluates the need for change in its composition and size.

As required under the SEBI Listing Regulations, the Board of Directors have identified the following core skills / expertise / competencies as required in the context of its business and sector for it to function effectively.

General Business / Industry awareness

Functional Knowledge / General Management / Administration

Communication and collaborative approach

The Board collectively has the abovementioned skills / expertise / competence. The names of Directors and the skills they possess are given below:

Name of the Director	General Business / Industry awareness	Functional knowledge / General Management / Administration	Communication and Collaborative approach
Sharad Virji Shah	✓	✓	✓
Munjal Sharad Shah	✓	✓	✓
Shilpa Amit Mahajan	✓	✓	✓
Manmohan Handa	✓	✓	✓
Hina Amol Gokhale	✓	✓	✓
Suresh Katyal	✓	✓	✓

(h) Separate Independent Directors Meeting

Pursuant to Schedule IV of the Act and as per Regulation 25(3) of the SEBI Listing Regulations, separate meeting of Independent Directors of the Company was held on Wednesday, January 10, 2024. The agenda was to review the performance of Non-Independent Directors, the Chairman, the entire Board and Committees thereof, quality, quantity and timeliness of the flow of information.

3. COMMITTEES OF THE BOARD

The Committees of the Board play an important role in the Corporate Governance and focus on specific areas and make informed decisions within the authority delegated. Each Committee is guided by its terms of reference, which provides for the scope, powers, duties and responsibilities of the Committee. The recommendation and/or observations and decisions are placed before the Board for information or approval. The Chairman/Chairperson of the respective Committee updates the Board regarding the discussions held, decisions taken at the Committee Meeting.

As mandated by the SEBI Listing Regulations and the Companies Act, the Board has constituted the following Committees:

- a) Audit Committee
- b) Stakeholders Relationship Committee
- c) Nomination & Remuneration Committee
- d) Risk Management Committee
- e) Corporate Social Responsibility Committee

The functioning of these Committees is regulated by the mandatory terms of reference, roles and responsibilities and powers as provided in the Act, the SEBI Listing Regulations and other applicable regulations.

The minutes of the meetings of all these Committees are placed before the Board for noting. The Company Secretary acts as the Secretary of these Committees.

3.1 AUDIT COMMITTEE**A. TERMS OF REFERENCE:**

- a) Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b) Recommendation for appointment, reappointment and replacement, remuneration and terms of appointment of auditors of the Company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon

before submission to the Board for approval, with particular reference to:

- i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub-Section 3 of Section 134 of the Act;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgement by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and
 - vii. Modified opinion(s) in the draft audit report.
- e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 - f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - h) Approval or any subsequent modification of transactions of the Company with related parties;
 - i) Scrutiny of inter-corporate loans and investments;
 - j) Valuation of undertakings or assets of the Company, wherever it is necessary;
 - k) Evaluation of internal financial controls and risk management systems;
 - l) Monitoring the end use of funds raised through public offers and related matters;
 - m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- o) Discussion with internal auditors of any significant findings and follow up thereon;
- p) Reviewing the findings of any internal investigations by the internal auditors into matters of where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- r) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- s) To establish and review the functioning of the whistleblower mechanism;
- t) Approval of appointment of Chief Financial Officer (i.e. the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
- u) Carrying out any other terms of reference as may be decided by the Board or specified/provided under the Act or the SEBI Listing Regulations or by any other regulatory authority;
- v) Review of (1) management discussion and analysis of financial condition and results of operations; (2) management letters/letters of internal control weaknesses issued by the statutory auditors; (3) internal audit reports relating to internal control weaknesses; (4) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; (b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations;
- w) Reviewing the utilisation of loans and/or advances from/ investment by the holding Company in the subsidiary exceeding 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments existing as on the date of coming into force of this provision and
- x) Review the compliance of the provision of Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verify that the systems for internal controls are adequate and operating sufficiently and forward the said report with the comments/observations to the Board of Directors of the Company.

B. COMPOSITION

The Audit Committee comprises of 3 Directors, 1 is Executive Director and 2 are Non-Executive Independent Directors. The Committee's composition complies with the requirements of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.

All Members of the Committee have sound financial knowledge and have financial management expertise.

As on March 31, 2024, the Audit Committee comprised of the following members:

Name of Members	Category	Designation
Manmohan Handa	Non-Executive Independent Director	Chairman
Suresh Katyal	Non-Executive Independent Director	Member
Munjal Sharad Shah	Managing Director	Member

C. MEETINGS AND ATTENDANCE

The Audit Committee met 7 (Seven) times during the year under review. The gap between any 2 meetings did not exceed 120 days. The details including attendance of members of the Committee are as follows:

Name of the members	Meeting Date							Total Meetings held during the year	No. of Meetings Attended	% of Attendance
	16.05.2023	07.08.2023	04.09.2023	20.10.2023	06.11.2023	13.12.2023	09.02.2024			
Manmohan Handa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	7	100
Suresh Katyal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	7	100
Munjal Sharad Shah	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	7	100

The Audit Committee invites such executives as it considers necessary to be present at its meetings. The Whole-Time Director and Chief Financial Officer attend the meetings. The Statutory Auditors and Internal Auditors are also invited to the meetings, as and when required. The Chairman of the Committee was present at the 14th Annual General Meeting held on September 29, 2023.

3.2 NOMINATION AND REMUNERATION COMMITTEE

A. TERMS OF REFERENCE:

The terms of reference of the Nomination and Remuneration Committee, inter alia, include the following:

- a) Carry out the evaluation of every Director's performance;
- b) Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal;
- c) Formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel, Senior Management and other employees;
- d) Formulate the criteria for evaluation of performance of the Directors, Committees and Board and to devise a policy on diversity of the Board of Directors;
- e) Recommend / review the remuneration of the Managing Director(s), Whole-time Director(s), Key Managerial Personnel and Senior Management based on their performance and defined assessment criteria;
- f) Carry out the functions enumerated under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; and
- g) Perform such other functions as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to, by such Committee.

B. COMPOSITION

The Nomination and Remuneration Committee comprises of 3 Directors, all of whom are Non-Executive Directors. The Committee's composition meets the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations.

As on March 31, 2024, the Nomination and Remuneration Committee comprised of the following members:

Name of Members	Category	Designation
Manmohan Handa	Non-Executive Independent Director	Chairman
Sharad Virji Shah	Non-Executive Non-Independent Director	Member
Suresh Katyal	Non-Executive Independent Director	Member

C. MEETINGS AND ATTENDANCE

The Committee met 4 (Four) times during the year under review and details including attendance of members of the Committee are as follows:

Name of the members	Meeting Date				Total Meetings held during the year	No. of Meetings Attended	% of Attendance
	10.04.2023	04.09.2023	20.10.2023	09.02.2024			
Manmohan Handa	Yes	Yes	Yes	Yes	4	4	100
Sharad Virji Shah	Yes	Yes	Yes	Yes	4	4	100
Suresh Katyal	Yes	Yes	Yes	Yes	4	4	100

The Chairman of the Committee was present at the 14th Annual General Meeting held on September 29, 2023.

D. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The criteria for evaluation of the Independent Directors is attendance, participation in deliberations, understanding the Company's business and that of the industry and guiding the Company in decisions affecting the business and additionally based on the roles and responsibilities as specified in Schedule IV of the Act and fulfilment of independence criteria and independence from management. The Board carried out evaluation of the performance of the Independent Directors on the basis of the criteria laid down. The evaluation was done by the Board of Directors except the Director who was evaluated.

3.3 STAKEHOLDERS RELATIONSHIP COMMITTEE

A. TERMS OF REFERENCE

The terms of reference of the Stakeholders Relationship Committee, inter alia, include the following:

- a) Resolve the grievances of the security holders of the Company including complaints related to non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, transfer / transmission of shares, general meetings, etc.
- b) Review of measures taken for effective exercise of voting rights by shareholders.

- c) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
- d) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

B. COMPOSITION

The Stakeholders Relationship Committee comprises of 3 Directors, 2 are Non-Executive Independent Directors and 1 is an Executive Director. The Chairman of the Committee is a Non-Executive, Independent Director. The Committee's composition meets the requirements of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

As on March 31, 2024, the Stakeholders Relationship Committee comprised of the following members:

Name of Members	Category	Designation
*Manmohan Handa	Non-Executive Independent Director	Chairman
Munjal Sharad Shah	Managing Director	Member
Suresh Katyal	Non-Executive Independent Director	Member

*Appointed as a Member of the Committee with effect from September 21, 2023.

C. MEETINGS AND ATTENDANCE

The Committee met twice during the year under review and details including attendance of members of the Committee are as follows:

Name of the members	Meeting Date		Total Meetings held during the year	No. of Meetings Attended	% of Attendance
	30.06.2023	28.03.2024			
#Manmohan Handa	N.A.	Yes	1	1	100
Munjal Sharad Shah	Yes	Yes	2	2	100
Suresh Katyal	Yes	Yes	2	2	100
*Sharad Virji Shah	Yes	N.A.	1	1	100

*Ceased to be a Member of the Committee with effect from September 21, 2023.

#Appointed as a Member of the Committee with effect from September 21, 2023.

The Chairman of the Committee was present at the 14th Annual General Meeting held on September 29, 2023.

D. NAME AND DESIGNATION OF COMPLIANCE OFFICER

The Board of Directors has appointed Ms. Jajvalya Raghavan, Company Secretary as Compliance officer in terms of Regulation 6 of SEBI Listing Regulations.

E. SHAREHOLDER GRIEVANCES

Complaints received during the year	No. of complaints disposed of during the year	Complaints pending for resolution
3	3	0

3.4 RISK MANAGEMENT COMMITTEE

A. TERMS OF REFERENCE

The terms of reference of the Risk Management Committee, inter-alia, include the following:

- a) Frame and review the Risk Management Policy.
- b) Review the risk management framework and recommend any measures as appropriate from time to time for consideration of the Board.
- c) Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the company.
- d) Monitor and oversee implementation of the risk management policy, including evaluation of the adequacy of risk management systems.
- e) Review the policy periodically, at least once in two years, considering the changing industry dynamics and evolving complexity.
- f) Keep the Board informed about the nature and content of Risk Management Committee discussions and recommendations, as well as the actions to be taken.
- g) Assist the Board with the identification and management of risks to which the Company's group is exposed.

B. COMPOSITION

The Risk Management Committee comprises of 4 Directors, 2 of them are Executive Directors, 1 is Non-Executive Non-Independent Director and 1 is Non-Executive Independent Director. The Chairman of the Committee is a Non-Executive Non-Independent Director.

As on March 31, 2024, the Risk Management Committee comprised of the following members:

Name of Members	Category	Designation
Sharad Virji Shah	Non-Executive Non-Independent Director	Chairman
Munjal Sharad Shah	Managing Director	Member
Shilpa Amit Mahajan	Whole-Time Director	Member
Manmohan Handa	Non-Executive Independent Director	Member

C. MEETINGS AND ATTENDANCE

The Committee met 3 (Three) times during the year under review. The gap between any 2 meetings did not exceed 180 days. The details including attendance of members of the Committee are as follows:

Name of the members	Meeting Date			Total Meetings held during the year	No. of Meetings Attended	% of Attendance
	25.07.2023	02.01.2024	28.03.2024			
Sharad Virji Shah	Yes	Yes	Yes	3	3	100
Munjal Sharad Shah	Yes	Yes	Yes	3	3	100
Shilpa Amit Mahajan	Yes	Yes	Yes	3	3	100
Manmohan Handa	Yes	Yes	Yes	3	3	100

3.5 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**A. TERMS OF REFERENCE**

The broad terms of reference of the Corporate Social Responsibility Committee, inter alia, include the following:

- To review and recommend to the Board, changes to the Corporate Social Responsibility Policy.
- To recommend the amount of expenditure to be incurred on the activities referred in Corporate Social Responsibility Policy.

B. COMPOSITION

The Corporate Social Responsibility (CSR) Committee comprises of 3 Directors, 2 of them are Non-Executive, Independent Directors and 1 is Executive Director. The Chairman of the Committee is an Independent Director. The Committee's composition complies with the requirements of Section 135 of the Act.

Name of Members	Category	Designation
Munjal Sharad Shah	Managing Director	Chairman
Hina Amol Gokhale	Non-Executive Independent Director	Member
Manmohan Handa	Non-Executive Independent Director	Member

C. MEETINGS AND ATTENDANCE

The Committee met 3 (Three) times during the year under review and details including attendance of members of the Committee are as follows:

Name of the members	Meeting Date			Total Meetings held during the year	No. of Meetings Attended	% of Attendance
	30.06.2023	13.12.2023	28.03.2024			
Munjal Sharad Shah	Yes	Yes	Yes	3	3	100
Hina Amol Gokhale	Yes	Yes	Yes	3	3	100
Manmohan Handa	Yes	Yes	Yes	3	3	100

4. GENERAL MEETINGS

A. ANNUAL GENERAL MEETINGS

Location and time where last three Annual General Meetings were held:

Date	Location	Time
September 18, 2021	D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai - 400706	1:00 P.M.
September 27, 2022	D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai - 400706	12:00 Noon
September 29, 2023	D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai - 400706	11:00 A.M.

The following Special Resolutions were passed in Annual General Meetings held during last three years-

Date	September 18, 2021	September 27, 2022	September 29, 2023
Meeting No.	12 th Annual General Meeting	13 th Annual General Meeting	14 th Annual General Meeting
Special Resolution	<ol style="list-style-type: none"> Revision in terms of appointment of Mr. Munjal Sharad Shah (DIN:01080863), Managing Director Ratification of remuneration payable to Mrs. Shilpa Amit Mahajan (DIN: 01087912) Whole-Time Director Revision in salary to Mr. Anish Mehta, Director's relative holding place of profit in the Company 	<ol style="list-style-type: none"> Reclassification of the Authorised Share Capital and subsequent alteration of Memorandum of Association (MOA) of the Company. To consider and approve the alteration of articles of association of the Company. Revision in salary payable to Mr. Anish Mehta, Director's relative holding place of profit in the Company. Revision in salary payable to Mr. Amit Navin Mahajan, Director's relative holding place of profit in the Company. Revision in Remuneration payable to Mr. Harsh Dharendra Bhansali, Chief Financial Officer of the Company. Revision in salary payable to Mrs. Kaajal Bhansali, Director's relative holding place of profit in the Company. Approval for continuation of Directorship of Mr. Sharad Virji Shah (DIN: 00622001), Chairman and Non-executive Director of the Company after attaining the age of 75 years. 	<ol style="list-style-type: none"> Reappointment of Mrs. Shilpa Amit Mahajan (DIN: 01087912) as Whole-Time Director of the Company. Alteration in the object clause of the Memorandum of Association of the Company.

B. POSTAL BALLOT THROUGH E-VOTING

During the financial year, the following Special Resolutions were passed by the Shareholders by requisite majority by way of postal ballot through e-voting. The Board of Directors of the Company appointed Mr. Dinesh Kumar Deora, of M/s. DM and Associates, Practicing Company Secretaries, as the Scrutinizer for scrutinizing the postal ballot through e-voting. Brief details pertaining to the said postal ballot are provided below:

Sr. No.	Special Resolution	Date of Postal Ballot Notice	Period of e-voting	Date of declaration of result	Votes in favour Percentage	Votes against Percentage
1.	Variation in terms of objects of the issue	March	April 04,	May 04, 2023	99.96	0.04
2.	To consider and approve for giving authorization to Board of Directors to advance any Loan, give any Guarantee or to provide any Security to all such person specified under Section 185 of the Companies Act, 2013 upto an aggregate limit of ₹ 25,00,00,000/- (Rupees Twenty Five Crores Only)	29, 2023	2023 to May 03, 2023		83.12	16.88

Sr. No.	Special Resolution	Date of Postal Ballot Notice	Period of e-voting	Date of declaration of result	Votes in favour Percentage	Votes against Percentage
3.	To approve Reappointment of Mr. Munjal Sharad Shah (DIN: 01080863) as Managing Director of the Company	October 20, 2023	October 22, 2023 to November 20, 2023	November 20, 2023	99.87	0.13
4.	To approve Reappointment of Mr. Manmohan Handa (DIN:06942720) as Non-Executive Independent Director of The Company				99.92	0.08
5.	To approve increase in borrowing powers of the Company under Section 180(1)(c) of the Companies Act, 2013				99.99	0.01
6.	To approve creation of Mortgage/Hypothecation/Pledge and / or Charge on the Properties / Assets of the Company under Section 180(1)(a) of the Companies Act, 2013				99.99	0.01

Procedure for postal ballot: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time. If required, Special Resolutions shall be passed by Postal Ballot during the year 2024-25, in accordance with the prescribed procedure. None of the Businesses proposed to be transacted at the ensuing Annual General Meeting require passing of a Special Resolution through Postal Ballot.

5. SENIOR MANAGEMENT

The details of the Senior Management Personnel of the Company identified in accordance with the Act and Regulation 16(1)(d) of the SEBI Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board, as on March 31, 2024, are given below:

Sr. No.	Name	Designation
1.	Harsh Dharendra Bhansali	Chief Financial Officer
2.	*Jajvalya Raghavan	Company Secretary and Compliance Officer
3.	Amit Navin Mahajan	Director, Technical and Research & Development
4.	Anish Hemant Mehta	Director, Business Development
5.	R. Rajagopalan	Senior Vice President, Business Development
6.	K. Natarajan	Senior Vice President, Software Development
7.	N. Saravanan	Senior Vice President, System Integration
8.	Bharat Yelkur	Vice President, Marketing
9.	Ramakantha D	General Manager - Business Development
10.	K. Padmanabham	Senior Vice President, Electronics
11.	G. S. Ravichandran	Senior Vice President, Head of Naval Business Development

*During the reporting year, Ms. Jajvalya Raghavan has been appointed as a Company Secretary and Compliance Officer w.e.f. February 09, 2024 in place of Mr. Hemalkumar Hiranbhai Sagalia, who ceased to be Company Secretary and Compliance Officer of the Company w.e.f. December 13, 2023. Except this, there has been no change in the Senior Management Personnel of the Company.

6. REMUNERATION OF DIRECTORS

i. Pecuniary Relationship with Non-Executive Directors

The Company has no pecuniary relationship or transaction with its Non-Executive Independent Directors other than payment of sitting fees to them for attending Board and Committee Meetings and Commission paid, if any, as approved by Members for their invaluable services to the Company.

ii. Criteria for making payments to Non-Executive Directors

The Non-Executive Independent Directors are entitled to receive sitting fees for attending the Meetings of the Board and various Committees of the Board of which they are members. As on March 31, 2024, your Company was making the payment of Sitting Fees as under:

Meetings	Sitting Fees
Meeting of the Board and Committees	₹ 50,000/- per Board/ Committee Meeting

The Company also reimburses the out-of-pocket expenses incurred by the Non-Executive Directors for attending Meetings. No payment by way of bonus, pension, incentives, stock options etc. was made to Non-Executive Directors.

The sitting fees paid to Non-Executive Directors during the financial year 2023-24 and their shareholding in the Company as on March 31, 2024 are as under:

(Amount in ₹)

Non-Executive Directors	Board & Committee Fees	Total	No. of shares held
Sharad Virji Shah	6,00,000	6,00,000	72,74,840
Manmohan Handa	6,00,000	6,00,000	0
Hina Amol Gokhale	6,00,000	6,00,000	0
Suresh Katyal	6,00,000	6,00,000	0

iii. Remuneration Paid to Directors

Remuneration as per Terms of Service paid to Managing Director and Whole-Time Director during the year 2023-24:

(Amount in ₹)

Non-Executive Directors	Remuneration	Total
Munjal Sharad Shah	84,00,000	84,00,000
Shilpa Amit Mahajan	38,36,264	38,36,264

1. Munjal Sharad Shah (DIN: 01080863)

Service Contract: Five years commencing from March 14, 2024 to March 13, 2029

Notice Period: NA

Severance fees: Not Applicable

2. Shilpa Amit Mahajan (DIN: 01087912)

Service Contract: Five years commencing from September 29, 2023 to September 28, 2028

Notice Period: NA

Severance fees: Not Applicable

The total remuneration paid to the Promoter Executive Directors during the financial year was in accordance with the approval obtained under Regulation 17(6)(e) of the SEBI Listing Regulations, as amended.

7. MEANS OF COMMUNICATION

a) Calendar of financial year ended March 31, 2024

The Company follows April-March as the financial year. The meetings of the Board of Directors for approval of quarterly and annual financial results for the financial year ended March 31, 2024, were held on the following dates:

Sr. No.	Particulars	Date
1.	Quarter ended June 30, 2023	August 07, 2023
2.	Quarter ended September 30, 2023	November 06, 2023
3.	Quarter ended December 31, 2023	February 09, 2024
4.	Quarter and Year ended March 31, 2024	May 25, 2024

b) Quarterly, Half-yearly and Annual Results

Quarterly, Half-Yearly and Annual financial results of the Company are published in widely circulated national newspapers, as per the details given below:

Name of the Newspaper	Region	Language
Business Standard- All editions	Mumbai	English
Financial Express	Mumbai	English
Freepress Journal	Mumbai	English
Navshakti	Mumbai	Marathi

Unaudited Quarterly results along with Limited Review Report have been uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre in accordance with Regulation 33 of the SEBI Listing Regulations as well as published in leading newspapers, Business Standard (English Language national daily newspaper circulating all over India), Financial Express (English Language national daily newspaper circulating all over India), Free Press (English), Navshakti (Marathi) in terms of Regulation 47 of the said Regulations. The quarterly and annual results have been simultaneously posted on the website of the Company at <https://www.parasdefence.com/financials/>.

c) Annual Reports and Annual General Meetings (AGM)

The Notice of the AGM along with the Annual Report for financial year 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. The Annual Report is also available on the Company's website at <https://www.parasdefence.com/financials/>. However, Members desiring a physical copy of the Annual Report for Financial Year 2023-24, may either write to us or email us on cs@parasdefence.com to enable the Company to dispatch a copy of the same. Please include details of Folio No./DP ID and Client ID and holding details, in the said communication.

d) Presentations made to institutional investors or to the analysts

Presentation has been made to analysts / institutional investors from time to time during the financial year 2023-24. The

presentation is available on the Company's website at <https://www.parasdefence.com/Investor-Presentation-Meeting/>.

e) Website

The Company has its own functional website <https://www.parasdefence.com/> as required by the SEBI Listing Regulations, wherein all information and documents relating to quarterly and annual audited financial results, annual reports, quarterly shareholding pattern and information required to be disclosed under Regulations 30 and 46 of the SEBI Listing Regulations, etc. are regularly updated.

All material events/information relating to the Company that could influence the market price of its securities or investment decisions are timely disclosed to the Stock Exchanges as per the Company's 'Policy for Determination of Materiality of Events or Information for Disclosure to the Stock Exchanges', framed in terms of Regulation 30(4)(ii) of the SEBI Listing Regulations. All disclosures under this Policy are also displayed on the Company's website <https://www.parasdefence.com/>.

f) SEBI Complaints Redressal System (SCORES)

SEBI has a centralized web-based complaints redressal system, which serves as a centralized database of all complaints received by the concerned Company and online viewing by the investors of actions taken on the complaint and its current status.

g) E-mail Id for communication

Company's e-mail address: cs@parasdefence.com

8. GENERAL SHAREHOLDER INFORMATION

a) Details of AGM: 20th September, 2024 at 12.30 p.m. (IST). The AGM will be held through Video Conferencing (VC) / Other Audio-Visual (OAVM) only.

b) Financial Year: April 01, 2023 to March 31, 2024

c) Listing on Stock Exchanges

The equity shares of your Company are listed on the following Stock Exchanges:

National Stock Exchange of India Limited (NSE)

Exchange Plaza, Plot No. C/1, G Block, Bandra (E), Mumbai – 400051 Symbol: PARAS

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001

Scrip Code: 543367

International Securities Identification Number (ISIN): INE045601015

Corporate Identification Number (CIN): L29253MH2009PLC193352

d) Listing and Custodial Fees

The Annual Listing Fee and Custodial fees for the financial year 2023-24 and 2024-2025 have been paid to both the above-mentioned Stock Exchanges and Depositories viz. CDSL and NSDL respectively.

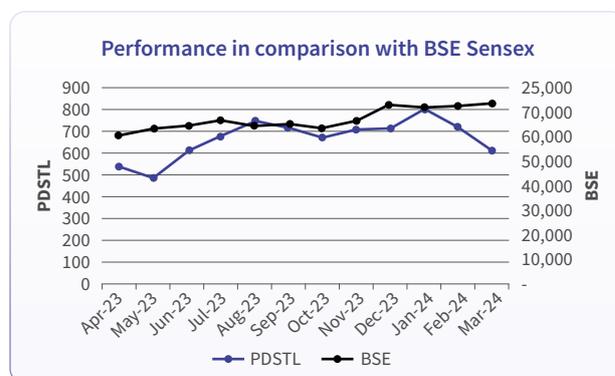
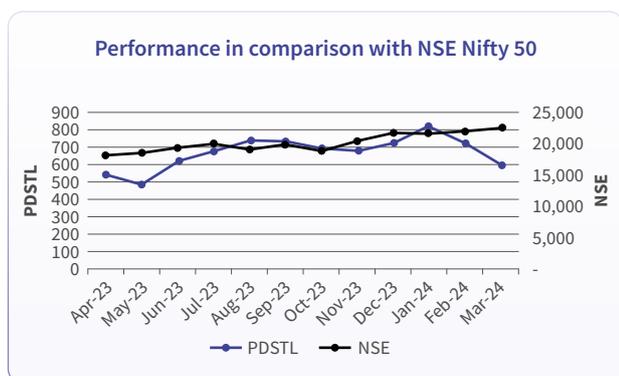
e) Market Price Data

The market price data (high & low based on daily closing prices) of the Company’s share traded during each month in the year 2023-2024 on BSE and NSE are as under:

Month	NSE				BSE			
	High Price (₹)	Low Price (₹)	Close Price (₹)	Volume (No.) (in lakhs)	High Price (₹)	Low Price (₹)	Close Price (₹)	Volume (No.)
April, 2023	544	473.55	540.8	29,44,333	544	471	540.55	2,97,942
May, 2023	553.35	491.15	498.7	28,78,416	553.6	491.65	498.6	3,82,527
June, 2023	649	499	613.25	1,66,17,976	649	498.65	613.2	14,95,196
July, 2023	730	612.05	680.85	1,37,40,623	730.75	611.95	681.5	9,96,829
August, 2023	842	604.45	737.55	2,20,40,908	841.8	605	737.55	18,53,906
September, 2023	848	707.1	729.5	1,40,98,780	848	707.35	729.25	16,13,236
October, 2023	765	640.25	683.3	44,55,155	765	640.35	684	5,26,070
November, 2023	739.45	664.6	703.25	38,78,072	739.25	665.55	704.95	3,37,289
December, 2023	776.9	686.6	718.9	84,84,631	775	688.85	718.2	9,90,700
January, 2024	818	717.45	810.55	1,33,66,835	816.95	716.85	810.5	13,38,004
February, 2024	838	701	722.95	86,40,766	838.05	701	720.25	9,91,919
March, 2024	738	610	611.8	34,35,584	738.5	608.75	612.05	3,85,164

The Company’s securities have not been suspended from trading.

f) Stock Performance of the Company in comparison to the broad based indices i.e. BSE Sensex and NSE Nifty (based on monthly closing price)



(Source: BSE and NSE website)

g) Registrar & Transfer Agent details

Name: Link Intime India Private Limited

Address: C 101, 247 Park, LBS Rd, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai – 400083.

Tel. No. +91-22-4918 6000

Fax No. +91-22-4918 6060

E-mail: demat@linkintime.co.in

h) Share Transfer / Transmission System

All the shares of the Company are held in dematerialized form. The Company obtains from a Company Secretary in Practice, a yearly certificate of compliance with the share transfer formalities as required under Regulation 40 of the Listing Regulations and files a copy of the certificate with the Stock Exchanges.

i) Distribution of Shareholding

Sr. No.	Shareholding of Shares	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1.	1 to 500	259954	99.0886	9169446	23.5114
2.	501 to 1000	1571	0.5988	1210267	3.1032
3.	1001 to 2000	475	0.1811	705688	1.8095
4.	2001 to 3000	145	0.0553	373152	0.9568
5.	3001 to 4000	58	0.0221	206793	0.5302
6.	4001 to 5000	38	0.0145	182849	0.4688
7.	5001 to 10000	56	0.0213	408908	1.0485
8.	10001 to 9999999	48	0.0183	26742958	68.5716
	Total	262345	100	39000061	100

j) Shareholding Pattern as on March 31, 2024

Category of Shareholders	No. of Shares	% of Total shares
1. Promoter (A)	22987250	58.94
2. Public Shareholding (B)		
Mutual Funds	1071192	2.75
NBFCs registered with RBI	1372	0.00
Foreign Portfolio Investors Category I	43688	0.11
Foreign Portfolio Investors Category II	7074	0.02
Directors and their relatives (excluding independent directors and nominee directors)	1400000	3.59
Individual Shareholders holding nominal share Capital upto ₹ 2 Lakhs	11463339	29.39
Individual Shareholders holding nominal share Capital in excess of ₹ 2 Lakhs	617359	1.58
Non-Resident Indians (NRIs)	325864	0.84
Foreign Nationals	120	0.00
Bodies Corporate	525011	1.35
Trusts	250	0.00
LLP	184963	0.47
HUF	372561	0.96
Clearing Members	18	0.00
Total (A+B)	39000061	100.00

k) Dematerialisation of Shares and Liquidity

100% shareholding of promoters and non-promoters is in dematerialised form.

Holding Type	No. of Shares	Share%
Demat		
CDSL	22467604	57.61
NSDL	16532457	42.39
Physical	0	0
Total	39000061	100

l) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity

No GDRs/ ADRs/Warrants or any Convertible instruments has been issued by the Company.

m) List of Credit Ratings

During the year under review, your Company has been rated by CRISIL Ratings Limited ("CRISIL") for its bank facilities as follows:

CRISIL Ratings Limited			
Instrument Type	Size of Issue (₹ in Cr.)	Rating Outlook	Rating Action
Bank Guarantee	23.00	CRISIL A2+	Reaffirmed
Cash Credit	39.00	CRISIL A- / Stable	Upgraded / Outlook revised to Stable from Positive
Letter of Credit	5.00	CRISIL A2+	Reaffirmed
Long Term Loan	10.00	CRISIL A-/Stable	Upgraded / Outlook revised to Stable from Positive
Pre Shipment Credit	7.00	CRISIL A2+	Reaffirmed
Proposed Term Loan	19.00	CRISIL A- / Stable	Upgraded / Outlook revised to Stable from Positive

n) Address for correspondence

Shareholders may correspond with the Company's Registrar and Share Transfer Agent viz. Link Intime India Private Limited for any assistance relating to dematerialization of shares, share transfers, transmissions, change of address, change in bank details or any other query relating to shares at the below mentioned address:

Link Intime India Private Limited

Address: C 101, 247 Park, LBS Rd, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai – 400083.

Tel. No. +91-22-4918 6000

Fax No. +91-22-4918 6060

E-mail: demat@linkintime.co.in

General correspondence:

Ms. Jajvalya Raghavan

Company Secretary and Compliance Officer

Paras Defence and Space Technologies Limited,

D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai – 400706

Tel.: +91 22 6919 9999

Fax: +91 22 6919 9990

E-mail: cs@parasdefence.com

o) Locations of Plants

- (i) The Registered & Corporate office of the Company is located at Nerul, Navi Mumbai, Maharashtra.
- (ii) The Defence and Space Optics and Defence Electronics divisions are operated from Nerul.
- (iii) The factory premises for Heavy Engineering Division is operated from Ambernath, Maharashtra.
- (iv) Advance Electronics Business Unit is operated from Malleshwaram, Bengaluru.
- (v) Centre of Excellence for Defence and Space Optics is operated from Yelahanka, Bengaluru.

9. OTHER DISCLOSURES**a) Materially Significant Related Party Transactions**

There are no material related party transactions during the year under review that have conflict with the interest of the Company. The transactions entered into with related parties during financial year 2023-24 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee.

As required under Regulation 23 of SEBI Listing Regulations, the Company has adopted a policy on dealing with materiality of Related Party Transactions which has been placed on the Company's website and can be accessed at the following link: <https://www.parasdefence.com/investors>.

b) Details of Non-Compliance

No penalties / strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority for non-compliance of any laws on any matter related to capital markets, during the last three years.

c) Details of Vigil Mechanism/Whistle Blower Policy

The Company has a Board approved 'Whistle Blower Policy' for directors and employees to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. It also provides safeguard against victimization of employees, who avail the mechanism and for direct access to the Chairman of the Audit Committee. No personnel of the Company had been denied access to the Chairman of Audit Committee. The Whistle Blower Policy is available at the weblink: <https://www.parasdefence.com/investors>

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all mandatory Corporate Governance requirements as stipulated in the SEBI Listing Regulations.

The Company strives to comply with the non-mandatory (discretionary) requirements as specified in Part E of Schedule II of SEBI Listing Regulations as far as possible.

- i. Office for non-executive Chairperson at Company's expense: Mr. Sharad Virji Shah, Non-Executive Chairman is entitled to maintain an office as Chairman of the Company, at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.
- ii. Auditors Report: There has been no qualification/ adverse remark by the Auditors in their Audit Report for the year.

e) Web-Link where Policy on determining 'material' subsidiaries

The Company's policy on determining 'material' subsidiaries is available on the Company's website at <https://www.parasdefence.com/investors>

f) Web link where policy on dealing with related party transactions

The Company's policy on Related Party Transaction is available on the Company's website at <https://www.parasdefence.com/investors>

g) Commodity price risk, foreign exchange risk and hedging activities

The Company does not deal in commodities and has no foreign exchange or hedging exposures. Hence disclosures relating to risk management policy with respect to commodities, commodity price risks, foreign exchange risk and hedging thereof in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated November 15, 2018 is not applicable.

h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI Listing Regulations

No preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI Listing Regulations has been made.

i) Recommendation of Committees

All recommendations / submissions made by various Committees of the Board during the financial year 2023-24 were accepted by the Board.

j) Details of total fees paid by the listed entity and its subsidiaries, on a consolidated basis to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part

(Amount in Lakhs)

Particulars	By the Company	By Subsidiaries	Total Amount
Statutory Audit	35.5	10.25	45.75
Other Services	30.5	8.5	39
Out-of-pocket expenses	0.6	0	0.6
Total	66.6	18.75	85.35

k) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year
Nil	Nil	Nil

l) Disclosure by listed entity and its subsidiaries of 'Loans and advances' in the nature of loans to firms/companies in which directors are interested by name and amount

During the Financial Year 2023-2024, the Company has given 'Loans and Advances' in the nature of loans to the Companies in which Directors are interested as per Note 6 and 13 of the Audited Standalone Financial Statements.

m) Details of Material Subsidiaries

Name of the Material Subsidiary	Date and Place of Incorporation	Name of the Statutory Auditor	Date of Appointment/ Reappointment of Statutory Auditor
Opel Technologies Pte. Ltd.	02/01/2019 Republic of Singapore	MGI N RAJAN ASSOCIATES	Appointment – 12.07.2022 Re-appointment – 28.09.2023

n) Disclosures with respect to demat suspense account/ unclaimed suspense account: Not Applicable

9.1. CERTIFICATIONS

a) Certificate from Secretarial Auditor

M/s. DM & Associates Company Secretaries & LLP, Practicing Company Secretaries have certified that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors, by the SEBI/Ministry of Corporate Affairs or any such other statutory authority(ies). The said certificate is enclosed to this report as Annexure - 2A.

9.2 Declaration on affirmation with the Code of Conduct

A declaration signed by Mr. Munjal Sharad Shah, Managing Director, stating that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, in accordance with Regulation 26(3) read with Para D of Schedule V of the SEBI Listing Regulations is enclosed to this report as Annexure - 2B.



9.3 Certification By Managing Director/ Chief Financial Officer

A certificate in terms of Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations signed by Mr. Munjal Sharad Shah, Managing Director and Harsh Dhirendra Bhansali, Chief Financial Officer of the Company is enclosed to this report as Annexure - 2C.

9.4 Disclosures of compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2) of SEBI Listing Regulations

Your Company has complied with all the mandatory requirements of the SEBI Listing Regulations including Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations and para (2) to (10) mentioned in part C of Schedule V of the SEBI Listing Regulations during the year under review. A Compliance certificate from M/s. DM & Associates Company Secretaries & LLP, Practicing Company Secretaries confirming compliance with the conditions of Corporate Governance for the year ended March 31, 2024 in terms of Part E of Schedule V of the SEBI Listing Regulations is enclosed to this report as Annexure - 2D.

For and on behalf of the Board of Directors

Paras Defence and Space Technologies Limited

Sharad Virji Shah

Chairman and Non-Executive Director

DIN: 00622001

Munjal Sharad Shah

Managing Director

DIN: 01080863

Date: August 27, 2024

Place: Navi Mumbai

ANNEXURE - 2A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED
D-112, TTC INDUSTRIAL AREA,
MIDC, NERUL NAVI MUMBAI
MH 400706 IN

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED** having CIN L29253MH2009PLC193352 and having its Registered Office at D-112, TTC INDUSTRIAL AREA, MIDC, NERUL NAVI MUMBAI MH 400706 IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director's Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

SR NO	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
1	MR. SHARAD VIRJI SHAH	00622001	16/06/2009
2	MR. MUNJAL SHARAD SHAH	01080863	16/06/2009
3	MRS. SHILPA AMIT MAHAJAN	01087912	25/06/2018
4	MR. MANMOHAN HANDA	06942720	08/01/2019
5	DR. HINA AMOL GOKHALE	08712659	01/04/2020
6	MR. SURESH KATYAL	08979402	05/01/2021

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Tribhuvneshwar Kaushik- Partner

DM & Associates Company Secretaries LLP
Firm Registration Number: L2017MH003500

Membership No.: FCS 10607

CP No.: 16207

UDIN: F010607F000958092

Place: Mumbai

Date: 12-08-2024



ANNEXURE - 2B

DECLARATION ON CODE OF CONDUCT

[Pursuant to Part D of Schedule V of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Paras Defence and Space Technologies Limited
D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai - 400706

I, Munjal Sharad Shah, Managing Director of **Paras Defence and Space Technologies Limited** declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2024.

Date: August 27, 2024
Place: Navi Mumbai

Munjal Sharad Shah
Managing Director
DIN: 01080863

ANNEXURE - 2C

CERTIFICATION BY MANAGING DIRECTOR / CHIEF FINANCIAL OFFICER

[Regulation 17(8) read with Part B of Schedule II of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors,
Paras Defence and Space Technologies Limited

We, Munjal Sharad Shah, Managing Director and Harsh Dharendra Bhansali, Chief Financial Officer of **Paras Defence and Space Technologies Limited**, to the best of our knowledge and belief, certify that:

- a. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the audit committee that:
 - (i) No significant changes in internal control over financial reporting during the year;
 - (ii) No significant changes in accounting policies during the year and
 - (iii) No instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Munjal Sharad Shah
Managing Director
DIN: 01080863

Date: May 24, 2024
Place: Navi Mumbai

Harsh Dharendra Bhansali
Chief Financial Officer



ANNEXURE - 2D

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

[Secretarial Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]

To,
The Members,
PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

We have examined the compliance of conditions of corporate governance by **PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED** ("**the Company**") for the year ended 31st March, 2024, as specified in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the Regulations**").

Management's Responsibility:

The Compliance of the conditions of Corporate Governance is the responsibility of the Management.

Auditors' Responsibility:

Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our engagement in accordance with the "Guidance Note on Corporate Governance Certificate" issued by the Institute of Company Secretaries of India. Our responsibility is to certify based on the work done.

Conclusion:

In our opinion and to the best of our information and according to the examination of relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on use:

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

FOR DM & ASSOCIATES COMPANY SECRETARIES LLP
COMPANY SECRETARIES

TRIBHUVNESHWAR KAUSHIK
PARTNER
Membership No.: FCS 10607
COP No 16207
UDIN: F010607F000958158

Place: Mumbai
Date: 12-08-2024

ANNEXURE - 3

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects and programs:

As a socially responsible Company, Paras has and continues to adopt policies and business strategies to effectively integrate emerging environmental, social safety and health protection considerations. The Company carries out activities as per Company's CSR Policy or as mentioned in the Schedule VII of the Companies Act, 2013 to contribute towards CSR.

The activities undertaken for the Financial Year 2023-24 are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR Policy are available on the website of the Company - www.parasdefence.com

2. **Composition of CSR Committee:**

Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Munjal Sharad Shah (Chairman)	Managing Director	3	3
Hina Amol Gokhale	Non-Executive Independent Director	3	3
Manmohan Handa	Non-Executive Independent Director	3	3

3. 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://www.parasdefence.com/investors>
4. 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 (attach the report) - NA
5. Details of the amount available for set off in pursuance of Sub-Rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2023-24	NIL	NIL

6. Average net profit of the Company as per Section 135(5) is ₹ 33,24,44,266/- (Rupees Thirty Three Crores Twenty Four Lakhs Forty Four Thousand Two Hundred and Sixty Six Only)
7. (a) Two percent of average net profit of the Company as per Section 135(5) is ₹ 66,48,885/- (Sixty Six Lakhs Forty Eight Thousand Eight Hundred and Eighty Five Only)
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - NIL
(c) Amount required to be set off for the financial year, if any - NIL
(d) Total CSR obligation for the financial year (7a+7b-7c) is ₹ 66,48,885/- (Sixty Six Lakhs Forty Eight Thousand Eight Hundred and Eighty Five Only)
8. (a) **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
69,00,000	NIL	NIL	NIL	NIL	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Local area (Yes/No) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number

NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
1.	Shree Maa Group Charitable Trust - Nara Gujarat	Animal Welfare	No	Nara,	Gujarat	18,00,000	Yes	-	-
2.	Shree Govardhan Sanstha	Water Conservation	No	Jalgaon,	Maharashtra	2,00,000	Yes	-	-
3.	Faith Charitable Trust	School building painting and maintenance work	No	Kutch,	Gujrat	10,00,000	Yes	-	-
4.	Shree Bidada Sarvodaya Trust	Promotion of Healthcare	Yes	Mumbai,	Maharashtra	10,00,000	Yes	-	-
5.	M S Public School	Promotion of education and social welfare	No	Dungarpur,	Rajasthan	25,00,000	Yes	-	-
6.	Shree Bapa Jalaram Charitable Trust	Providing food and education to poor children	Yes	Mumbai,	Maharashtra	4,00,000	Yes	-	-
Total						69,00,000			

- (d) Amount spent in Administrative Overheads: NIL
- (e) Amount spent on Impact Assessment, if applicable: NA
- (f) Total amount spent for the Financial Year (7b+7c+7d+7e): ₹ 69,00,000/-
- (g) Excess amount for set off, if any: NIL

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	66,48,885
(ii)	Total amount spent for the Financial Year	69,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,51,115
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2,51,115*

*The amount will not be set off in succeeding financial years

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	

Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing

Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year - No

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): NA

For and on behalf of the Board of Directors

Paras Defence and Space Technologies Limited

Sharad Virji Shah

Chairman and Non-Executive Director

DIN: 00622001

Munjal Sharad Shah

Managing Director

DIN: 01080863

Date: August 27, 2024

Place: Navi Mumbai

ANNEXURE – 4

FORM AOC – 2

[Pursuant to clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

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

1. Details of contracts or arrangements or transactions not at Arm's length basis: Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Particulars	Details
1.	Name(s) of the related party and nature of relationship	Opel Technologies Pte. Ltd.
2.	Nature of contracts/ arrangements/ transactions	Sale of goods or services
3.	Duration of the contracts / arrangements/transactions	Financial Year 2023-24
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	Ordinary Course of Business and on Arm's length basis
5.	Value of transaction	₹ 24,52,54,917/-
6.	Investment in the Subsidiary	-
7.	Date(s) of approval by the Board, if any	Not applicable as the transactions entered into are at arm's length price and are in the ordinary course of business as provided under Section 188(1) of the Companies Act, 2013.
8.	Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors

Paras Defence and Space Technologies Limited

Sharad Virji Shah

Chairman and Non-Executive Director

DIN: 00622001

Munjal Sharad Shah

Managing Director

DIN: 01080863

Date: August 27, 2024

Place: Navi Mumbai

ANNEXURE – 5

DETAILS OF THE REMUNERATION OF DIRECTORS, KMP AND EMPLOYEES AND COMPARATIVES

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Directors, Chief Financial Officer and Company Secretary in the Financial year 2023-24:

Name of Director(s) /Key Managerial Personnel (KMP)	Designation	Remuneration of Director/KMP (amount in ₹)	Ratio of Remuneration of each Director to the median remuneration of employees	% increase in remuneration
Munjal Sharad Shah	Managing Director	84,00,000	28.86	21.74%
Shilpa Amit Mahajan	Whole-Time Director	38,36,264	13.18	56.88%
Harsh Dhirendra Bhansali	Chief Financial Officer	48,00,000	16.49	30.34%
*Hemalkumar Hiranbhai Sagalia	Company Secretary and Compliance Officer	12,52,638	4.30	0.00%
Jajvalya Raghavan	Company Secretary and Compliance Officer	4,34,091	1.49	0.00%
Amit Navin Mahajan	Director - Technical and R&D	48,00,000	16.49	93.05%
Anish Hemant Mehta	Director - Business Development	36,00,000	12.37	23.36%
Ami Munjal Shah	Senior VP - HR & Administrator	60,00,000	20.61	46.34%
R. Rajagopalan	Sr. VP – Business Development	58,20,000	19.99	7.54%
K. Natarajan	Sr. VP – Software Development	44,43,120	15.26	9.34%
N. Saravanan	Sr. VP – System Integration	43,21,306	14.84	15.70%
Bharat Yelkur	VP – Marketing	25,80,000	8.86	7.5%
Ramakantha D	General Manager – Business Development	17,49,998	6.01	16.67%
G. S. Ravichandran	Senior- VP - Head of Naval business Development	28,19,520	9.69	6.8%
K. Padmanabham	Senior - VP - Electronics	18,01,320	6.19	13.50%

*Hemalkumar Hiranbhai Sagalia ceased to be Company Secretary & Compliance Officer of the Company w.e.f. December 13, 2023.

Notes:

- To derive median, only employees on the payroll of the Company are taken into consideration.
 - Mr. Sharad Virji Shah is Chairman and Non- Executive Director and is not entitled to any remuneration other than sitting fees for attending the meetings of the Board and Committees. Hence ratio of his sitting fees to median remuneration of employee is not comparable. The details of sitting fees paid to Mr. Sharad Virji Shah is provided in the Corporate Governance Report, which is annexed as Annexure-2 to the Directors Report. The ratio of remuneration (sitting fees) of Mr. Sharad Virji Shah to median remuneration of employees is as follows: 2.06
 - The Independent Directors of the Company viz. Mr. Manmohan Handa, Mr. Suresh Katyal, and Dr. Hina Amol Gokhale are not entitled to any remuneration other than sitting fees for attending the meetings of the Board and Committees. Hence ratio of their sitting fees to median remuneration of employee is not comparable. The ratio of remuneration (sitting fees) of Independent Directors to median remuneration of employees is as follows:
Mr. Manmohan Handa 2.06, Mr. Suresh Katyal 2.06 and Dr. Hina Amol Gokhale 2.06
 - There was no increase in remuneration of Independent Directors during the financial year, they are entitled for sitting fees in proportion to number of meeting(s) attended by them.
- The percentage increase in the median remuneration of employees in the financial year: - 47.58%
 - The number of permanent employees on the rolls of Company: 418



4. Average percentage increase 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 managerial remuneration:

The average percentage increase made in the salaries of employees other than the managerial Personnel was 34.37%.

Note: The above increase includes increase in salary of the existing employees as well as additional manpower hired.

5. Affirmation that the Remuneration is as per the Remuneration Policy of the Company:

The remuneration for MD/KMP/rest of the employees is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Paras Defence and Space Technologies Limited

Sharad Virji Shah

Chairman and Non-Executive Director

DIN: 00622001

Munjal Sharad Shah

Managing Director

DIN: 01080863

Date: August 27, 2024

Place: Navi Mumbai

ANNEXURE-6

MANAGEMENT DISCUSSION AND ANALYSIS

Economic overview

Indian economy

India's economy successfully extended the growth momentum from FY 2023-24, overcoming a range of global and external challenges. The emphasis on macroeconomic stability helped mitigate the impact of these challenges on India's economy. Consequently, India's real Gross Domestic Product (GDP) expanded by 8.2% in FY24, achieving growth of over 7% for the third consecutive year. This performance was supported by robust consumption demand and a gradual increase in investment demand. On the supply side, Gross Value Added (GVA) at 2011-12 prices rose by 7.2% in FY24, with growth remaining widespread across various sectors. Additionally, net taxes at constant 2011-12 prices increased by 19.1% in FY24, driven by strong tax revenue growth at both central and state levels and a rationalization of subsidy expenditures. This resulted in a noticeable divergence between GDP and GVA growth rates for FY24.

In the industrial sector, manufacturing Gross Value Added (GVA) rebounded impressively in Fiscal Year 2024 (FY24), growing by 9.9% after a lacklustre Fiscal Year 2023 (FY23). This growth was supported by lower input prices and stable domestic demand. The decrease in input costs contributed to a subdued rise in the Wholesale Price Index (WPI) inflation, resulting in a deflator of -1.7% for the manufacturing sector in FY24. Manufacturers effectively passed these cost savings onto consumers, leading to a continued decline in core consumer price inflation. The robust performance of the manufacturing sector is further validated by the HSBC India Purchasing Managers' Index (PMI) for manufacturing, which remained consistently above the neutral 50-mark, indicating ongoing expansion and stability in India's manufacturing landscape¹.

Outlook

According to the Deputy Governor of the Reserve Bank of India (RBI), India has the potential to become the world's second-largest economy by 2031 and the largest by 2060. This projection is supported by a stable investment rate, macroeconomic and financial stability, favourable demographics, and growth drivers such as digitization. The Government of India is expected to maintain its focus on growth-oriented capital spending into FY 2024-25, with more than half of its borrowings allocated for capital expenditures. Additionally, the central government has extended its financial assistance scheme for states' capital expenditures into FY 2024-25, allocating ₹ 1.3 lakh crore for this purpose².

Industry overview

Defence

Global defence industry

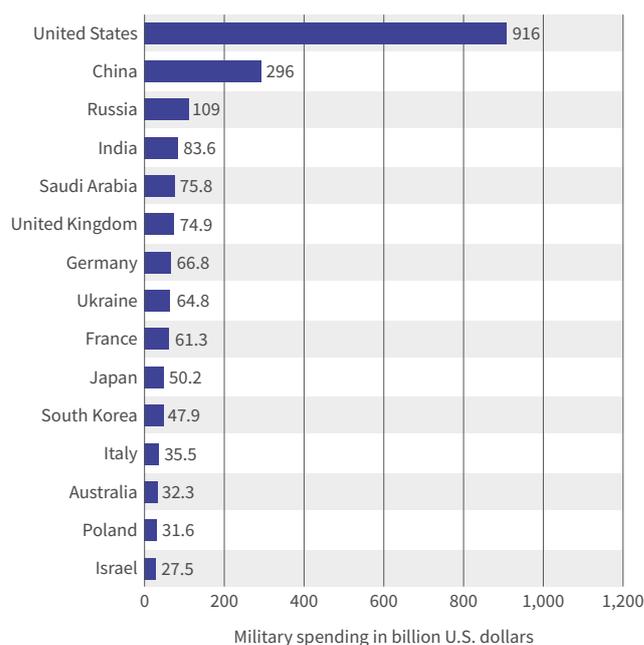
The global defence market has experienced robust growth in recent years, increasing from USD 575.33 billion in 2023 to USD

616.32 billion in 2024, representing a compound annual growth rate (CAGR) of 7.1%. This growth is largely driven by the rising use of military drones, demand for attack and transport helicopters, favourable interest rates, increased military equipment expenditure, advancements in autonomous fighter jets, and overall higher military spending.

Looking ahead, the defence market is expected to continue its strong growth, reaching USD 772.49 billion by 2028, with a CAGR of 5.8%. This anticipated growth is attributed to government initiatives, technological advancements, escalating security threats, enhanced military helicopters, and ongoing military modernization. Key trends in the forecast period include the adoption of unmanned combat vehicles, innovative military avionics upgrades, augmented and virtual reality applications, edge computing in defence, 3D printing technology and the use of artificial intelligence (AI) in defence equipment.

Additionally, there will be a focus on design upgrades and modularity for military-style weapons, as well as day/night decamouflage technology for light weapons. Rising defence expenditures are projected to drive the future growth of the defence market. Defence expenditure refers to the financial resources allocated by a government to establish and sustain an armed force or other essential defence activities. This spending supports the defence industry, which encompasses the design, production, and maintenance of military equipment³.

Countries with the highest military spending worldwide in 2023⁴



¹Economic Survey 2023-24

²RBI Annual Report 2023-24

³<https://www.thebusinessresearchcompany.com/report/defence-global-market-report>

⁴<https://www.statista.com/statistics/262742/countries-with-the-highest-military-spending/>

Indian Defence Industry

The Indian Defence Sector, the world's second largest armed force, is on the brink of a major transformation. The Government has prioritized the Defence and Aerospace sector under the 'Aatmanirbhar Bharat' (Self-Reliant India) initiative, focusing on establishing indigenous manufacturing capabilities supported by a robust research and development infrastructure.

In the Interim Union Budget for 2024-25, the allocation for the modernization and infrastructure development of Defence Services has been increased to ₹ 1.72 lakh crore, marking a 9.4% rise from FY 2023-24. The sector as a whole is set to receive ₹ 6.22 lakh crore in the Union Budget for 2024-25, a 4.79% increase from the previous year. To bolster the domestic defence industry, the government aims to enhance transparency, predictability, and ease of doing business by developing a robust ecosystem and implementing supportive policies. This includes initiatives for de-licensing, de-regulation, export promotion, and foreign investment liberalization. The Department of Military Affairs (DMA) has introduced five Positive Indigenisation Lists, encompassing 5,012 items. Additionally, Foreign Direct Investment (FDI) in the defence sector has been increased to 74% through the Automatic Route and 100% via the Government Route to promote exports and liberalize foreign investments.

The government has also established two dedicated Defence Industrial Corridors in Tamil Nadu and Uttar Pradesh, designed to serve as hubs for defence manufacturing by utilizing existing infrastructure and human resources. Furthermore, to foster innovation within the Defence and Aerospace sectors, supportive government schemes such as Innovations for Defence Excellence (iDEX) and the Defence Testing Infrastructure Scheme (DTIS) have been introduced. The Ministry of Defence aims to achieve a turnover of ₹ 1.75 lakh crore in aerospace and defence manufacturing by 2025, including ₹ 35,000 crore from exports. As of April 2023, 606 industrial licenses have been issued to 369 companies operating in the Defence sector⁵.

India's Defence Exports

Defence exports reached a record ₹ 21,083 crore (approximately US\$ 2.63 billion) in the Financial Year 2023-24, marking a 32.5% increase from the ₹ 15,920 crore reported in the previous fiscal year. Over the past decade, defence exports have surged by 31 times compared to FY 2013-14. The defence industry, including both private sector companies and Defence Public Sector Undertakings (DPSUs), has played a significant role in achieving this record. The private sector contributed about 60% of the exports, while DPSUs accounted for the remaining 40%.

Additionally, the number of export authorizations issued to defence exporters rose from 1,414 in FY 2022-23 to 1,507 in FY 2023-24. Comparing two decades from FY 2004-05 to FY 2013-14 and FY 2014-15 to FY 2023-24, the defence exports grew 21 times, from ₹ 4,312 crore to ₹ 88,319 crore. This impressive growth is attributed to government policy reforms, 'Ease of Doing Business' initiatives, and the comprehensive digital solutions provided to Indian industries to boost defence exports. This progress reflects the increasing global acceptance of Indian defence products and technologies⁶.

⁵<https://www.investindia.gov.in/sector/defence-manufacturing>

⁶<https://pib.gov.in/PressReleaseFramePage.aspx?PRID=2016818>

⁷<https://economictimes.indiatimes.com/news/defence/indus-x-defence-initiative-between-us-india-marks-1st-anniversary/articleshow/111182254.cms?from=mdr>

⁸<https://pib.gov.in/PressReleasePage.aspx?PRID=2035748>

INDUS-X

On the first anniversary of the India-US Defence Acceleration Ecosystem (INDUS-X), the US highlighted the partnership's success in advancing their commitment to creating a defence innovation bridge through the Critical and Emerging Technology Initiative. Known as INDUS-X, this initiative represents an enhanced strategic and defence partnership between India and the US. According to the Department of Defence, INDUS-X has made significant progress in its inaugural year, reinforcing the commitment of both nations to build a defence innovation bridge under the Critical and Emerging Technology Initiative (iCET). It has also bolstered private sector collaboration by fostering partnerships among defence technology companies, investors, and researchers in both countries⁷.

Recent Government Initiatives and Developments⁸

Modernizing the Forces

For FY 2024-25, the budgetary allocation for capital expenditures for the Defence Forces is ₹ 1.72 lakh crore, representing a 20.33% increase from the actual expenditure of FY 2022-23 and a 9.40% rise from the Revised Allocation of FY 2023-24. This allocation is intended to address critical capability gaps through major acquisitions in the current and subsequent fiscal years. The increased budget will support annual expenditures on planned capital acquisitions, equipping the Armed Forces with advanced technologies, lethal weapons, fighter aircraft, ships, submarines, unmanned aerial vehicles, drones, and specialized vehicles.

Strengthening Domestic Capacity

The Ministry of Defence (MoD) has designated 75% of the modernization budget, amounting to ₹ 1,05,518.43 crore, for procurement through domestic industries this fiscal year. This move is expected to have a positive impact on GDP, employment, and capital formation, thereby stimulating the economy.

Enhanced Allocation for Sustenance & Operational Readiness

A higher allocation for operational readiness enhances the morale of the Armed Forces by ensuring they remain battle-ready at all times. The Government has allocated ₹ 92,088 crore for this purpose in the current fiscal year, which is 48% more than the allocation for FY 2022-23. This funding will support maintenance facilities, ammunition procurement, resource mobility, and forward area deployments to address any unforeseen situations.

Bolstering Border Infrastructure for Strategic Needs

The Government remains dedicated to enhancing border infrastructure through increased funding for agencies responsible for executing strategically important projects and ensuring last-mile connectivity in border areas. For FY 2024-25, the budgetary allocation for Border Roads Organisation (BRO) has been set at ₹ 6,500 crore, representing a 30% increase over FY 2023-24 and a 160% rise compared to FY 2021-22. This allocation will support strategic infrastructure projects like the Nyoma Airfield in Ladakh, permanent bridge connectivity in the Andaman and Nicobar Islands, the Shinku La tunnel in Himachal Pradesh, and the Nechipu tunnel in Arunachal Pradesh, among others.

Enhancing the Capability of the Indian Coast Guard

The allocation for the Indian Coast Guard (ICG) in FY 2024-25 is ₹ 7,651.80 crore, which is 6.31% higher than the previous year's allocation. Of this amount, ₹ 3,500 crore will be dedicated to capital expenditures, enhancing the ICG's ability to address maritime challenges and provide humanitarian assistance. This funding will facilitate the acquisition of advanced patrolling vehicles, electronic surveillance systems, and weapons.

Fostering Self-Reliance through Research & Innovation

The budget for the Defence Research and Development Organisation (DRDO) has been increased to ₹ 23,855 crore for FY 2024-25, up from ₹ 23,263.89 crore in FY 2023-24. A significant portion of this budget, ₹ 13,208 crore, is allocated for capital expenditures to support new technology development, fundamental research, and collaboration with private entities. The Technology Development Fund (TDF) scheme, with an allocation of ₹ 60 crore, aims to attract start-ups, MSMEs, and academia to drive innovation in niche technologies. Additionally, funding for the Innovations for Defence Excellence (iDEX) initiative has been increased from ₹ 115 crore in FY 2023-24 to ₹ 518 crore in FY 2024-25, supporting start-ups, MSMEs, and innovators in developing defence technology solutions.

Space

Global Space Industry

According to the World Economic Forum's report on space, the space economy is projected to grow to USD 1.8 trillion by 2035, up from USD 630 billion in 2023, with an average annual growth rate of 9%. This rate substantially exceeds the global GDP growth rate. Key drivers of this expansion are expected to be space-based and enabled technologies, including communications, positioning, navigation and timing, and Earth observation services.

The number of satellites launched annually has increased by 50%, while launch costs have decreased tenfold over the past 20 years, making more frequent launches feasible. Data prices, crucial for connectivity, have also fallen a trend expected to continue across various sectors. Additionally, as mega-rocket technology becomes widespread by the early to mid-2030s, new opportunities will emerge for placing objects in orbit at reduced costs.

Moreover, a diverse range of investors, including both state and non-state entities, have been pouring money into space ventures, with investments reaching record highs of over \$70 billion in 2021 and 2022. Space tourism, once considered science fiction, is now a reality. The market is projected to reach around \$4-6 billion by 2035, with most revenue generated from ultra-high-net-worth individuals staying in orbit aboard space stations⁹.

Indian Space Industry

India's space sector has consistently supported domestic manufacturing and innovation. Valued at USD 8.4 billion in 2023, India's space economy represents 2-3% of the global market but is projected to expand to USD 44 billion by 2033. The private sector is expected to play a vital role in achieving this growth. The space

industry is essential for delivering innovative solutions across various fields, including telecommunications, healthcare, agriculture, and defence. As the world's second-largest telecommunications market with 1.17 billion subscribers, India's space technology extends beyond telecommunications. It also harnesses space data for applications in medicine, education, and disaster management¹⁰.

As per the Economic Survey, the space sector has experienced significant advancements in recent years, with notable progress in developing rockets, satellites, and spacecraft for space exploration, as well as enhancing ground infrastructure. India currently operates 55 active space assets, including 18 communication satellites, nine navigation satellites, five scientific satellites, three meteorological satellites, and 20 Earth observation satellites. In addition to the existing Polar Satellite Launch Vehicle (PSLV) and Geosynchronous Satellite Launch Vehicle (GSLV), the Indian Space Research Organisation (ISRO) has introduced two new launch vehicles namely the Launch Vehicle Mark-3 (LVM3) and the Small Satellite Launch Vehicle (SSLV).

India Space Industry has also completed key space exploration missions that include the Chandrayaan-3 lunar landing and the Aditya-L1 mission, both in 2023. The NavIC satellite navigation constellation, completed and operational since 2016, continues to bolster India's space capabilities. Furthermore, NewSpace India Limited (NSIL) successfully launched 72 OneWeb satellites into Low Earth Orbit using LVM3, M2, and M3 missions, establishing LVM3 as a reliable launch vehicle in the global commercial launch services market for the 2023-24 period.

Latest Government Initiatives and Developments

Union Budget 2024-25

In the 2024-2025 Union Budget, the Department of Space received an 18% increase in funding compared to 2023-2024, with the majority of this rise allocated to the development of space technologies. The budget for space applications saw a slight increase, while funding for space sciences was reduced, and the allocation for INSAT satellite systems was nearly halved compared to the previous year. Additionally, the Government has announced the creation of a dedicated space fund of ₹ 1,000 crore to enhance India's space economy, attract investment, and strengthen its position in the global space industry.

India's ability to innovate within a constrained budget was demonstrated by the Chandrayaan-3 mission, which cost only 3% of similar Russian moon missions. This budget reflects the Government's commitment to support the Indian space sector by providing financial backing, mentorship, and guidance to emerging space startups. The establishment of the space fund represents a significant step forward in fostering public-private partnerships to advance critical space technology for India's success in this sector¹¹.

Enhanced Private Sector Engagement in India's Space Program

According to the Economic Survey 2023-24, the reforms in the space sector have markedly increased private sector participation in India's space program. The survey highlights that several private entities have developed satellites and functional payloads specifically for space operations. A key initiative, the Indian National Space

⁹https://www3.weforum.org/docs/WEF_Space_2024.pdf

¹⁰<https://www.investindia.gov.in/team-india-blogs/next-frontier-analyzing-indias-focus-space-technology>

¹¹https://www.indiabudget.gov.in/doc/budget_speech.pdf

Promotion and Authorization Center (IN-SPACE), was established to facilitate and authorize space activities. As of January 2024, IN-SPACE has received 440 applications from over 300 Indian entities seeking various forms of support. Additionally, 51 Memoranda of Understanding (MoUs) and 34 joint project implementation plans have been signed with non-governmental entities to further space activities. Furthermore, the Hindustan Aeronautics Limited (HAL) and Larsen & Toubro (L&T) consortia have been chosen for the production of five Polar Satellite Launch Vehicles (PSLVs), and efforts to transfer small satellite launch vehicle technology have been initiated.¹²

Approval of Foreign Direct Investment (FDI) Policy for the Space Sector

The Union Cabinet has approved an amendment to the Foreign Direct Investment (FDI) policy for the space sector aligning with the vision of the Indian Space Policy 2023. The revised policy now categorizes the satellite sub-sector into three distinct activities, each with specific foreign investment limits. These reforms aim to relax FDI policy provisions by defining clearer entry routes and expanding opportunities for investment in satellites, launch vehicles and their systems, the creation of spaceports and the manufacturing of space-related components and systems.

Under the revised Foreign Direct Investment (FDI) policy, 100% FDI is now permitted in the space sector, with the aim of attracting more investors to Indian space companies. The policy introduces liberalized entry routes for various activities: up to 74% FDI is allowed through the automatic route for satellite manufacturing and operation, satellite data products, and ground and user segments, with investments beyond 74% requiring government approval. For launch vehicles, associated systems or subsystems, and the creation of spaceports, up to 49% FDI is permitted under the automatic route, with anything beyond this requiring government approval. Manufacturing of components and systems for satellites, ground segments, and user segments can receive up to 100% FDI through the automatic route. This increase in private sector participation is expected to generate employment, facilitate the absorption of modern technology, and contribute to the sector's self-reliance. It aims to integrate Indian companies into global value chains and support the Government's 'Make in India' and 'Atmanirbhar Bharat' initiatives by encouraging the establishment of domestic manufacturing facilities¹³.

Company overview

Paras Defence & Space Technologies Limited offers a wide range of Products & Solutions for Defence & Space Applications. With focus on Defence & Space Sector we have two verticals of our business, namely Optics & Optronic Systems & Defence Engineering (comprising of Defence Electronics, EMP Protection Solutions & Heavy Engineering).

With over 40+ years of sustained business growth in the area of Defence & Space Engineering, we are involved in Technologies for Rocket & Missiles, Space & Space Research, Naval Systems, Land & Armoured Vehicles, Electronic Warfare & Surveillance, Electromagnetic Shielding to name a few. Along with this, through our subsidiaries, we are involved in technologies such as Drones, RF & Microwave, Anti-Drone Systems, EO/IR Systems for Avionic Platforms, & Quantum Communication amongst others.

Paras Defence & Space Technologies Limited has a state-of-the-art manufacturing setup with a 600+ workforce and the capability to offer turnkey solutions from design to commissioning of small to large systems. Our focus on technology development and R&D distinguishes us as a true IDDM company in the Indian defence industry. We have a vibrant team working on developing future technologies and providing cutting-edge solutions for our customers.

Our business strategy is to deliver quality products at the right time and at the most competitive price. This has made us one of the most dependable partners for our customers. Strong fundamentals, impeccable business ethics, and a customer-centric approach are the pillars of our business as we aim to become the most significant Indian company in the defence and space sector.

Opportunities

- Government initiatives such as Aatmanirbhar Bharat and Make in India create a supportive environment for the growth of Indian companies in the defence and space sectors.
- With technology becoming increasingly significant, the demand for defence electronics, defence optics, electromagnetic pulse (EMP) protection, and heavy engineering services is rising. The Company's expertise in these areas presents significant growth opportunities.
- Defence manufacturing in India is experiencing substantial growth, driven by the government's emphasis on foreign trade and international agreements.
- The Company is well-positioned to engage in future government projects, bolstered by the launch of the Indian Space Association, which encourages private sector involvement.

Challenges

- The Company's organizational growth heavily relies on contracts from the Government of India (GoI) and related entities, including defence public sector undertakings and government organizations involved in space research. A shift in focus away from defence and research could pose challenges to business operations.
- To stay competitive in the industry, it is crucial for the Company to continuously update its technological expertise. Additionally, protecting sensitive data is essential for maintaining its operational integrity.

¹²Economic Survey 2023-24

¹³<https://pib.gov.in/PressReleasePage.aspx?PRID=2007876>

Financial performance

(₹ in lakhs)

Particulars	FY 2023-24	FY 2022-23	YoY Growth %
Revenue from operations	25,350	22,243	13.97
Other income	827	822	0.61
Total Expenses	22,124	18,367	20.46
Costs of materials consumed	12,619	9,968	26.60
Purchase of stock in trade	2,774	1,715	61.75
Change in inventory of finished goods, work-in progress and stock in trade	-3,334	-1,147	190.67
Employee benefits expense	3,090	2,187	41.29
Finance costs	544	672	-19.05
Depreciation and Amortisation expense	1,336	1,127	18.54
Other expenses	5,095	3,845	32.51
Profit before tax	4,047	4,685	-13.62
Tax expenses	1,044	1,090	-4.22
Profit for the year	3,003	3,594	-16.44
Total Comprehensive income	2,969	3,594	-17.39%

Revenue from operations

Revenue from operations increased by 13.97 % to ₹ 25,350 Lakhs in FY 2023-24 from ₹ 22,243 Lakhs in FY 2022-23.

Other Income

Other income increased by 0.61% to ₹ 827 Lakhs in FY 2023-24 from ₹ 822 Lakhs in FY 2022-23 due to an increase in interest income from Fixed deposits.

Total Expenses

Total expenses increased by 20.46 % to ₹ 22,124 Lakhs in FY 2023-24 from ₹ 18,367 Lakhs in FY 2022-23. This increase in expenses was primarily due to an increase in the revenue and for reasons set out below.

Cost of materials consumed

Our cost of materials consumed increased by 26.60 % to ₹ 12,619 Lakhs in FY 2023-24 from ₹ 9,968 Lakhs in FY 2022-23.

Purchases of stock in trade

Expense towards purchases of stock in trade increased by 61.75 % to ₹ 2,774 Lakhs in FY 2023-24 from ₹ 1,715 Lakhs in FY 2022-23.

Change in inventories of finished goods, work-in-progress and stock in trade

Change in inventories of finished goods, work-in-progress and stock in trade increased by 190.67 % to ₹ (3,334) Lakhs in FY 2023-24 from ₹ (1,147) Lakhs in FY 2022-23.

Employee benefits expense

Employee benefits expense increased by 41.29 % to ₹ 3,090 Lakhs in FY 2023-24 from ₹ 2,187 Lakhs in FY 2022-23.

Finance costs

Finance costs decreased by 19.05 % to ₹ 544 Lakhs in FY 2023-24 from ₹ 672 Lakhs in FY 2022-23.

Depreciation and Amortisation Expense

Depreciation and amortisation expenses increased by 18.54 % to ₹ 1,336 Lakhs in FY 2023-24 from ₹ 1,127 Lakhs in FY 2022-23.

Other expenses

Other expenses increased by 32.51 % to ₹ 5,095 Lakhs in FY 2023-24 from ₹ 3,845 Lakhs in FY 2022-23.

Profit before Tax

As a result, profit before tax decreased by 13.62 % to ₹ 4,047 Lakhs in FY 2023-24 from ₹ 4,685 Lakhs in FY 2022-23.

Tax Expenses

Tax expenses decreased by 4.22 % to ₹ 1,044 Lakhs in FY 2023-24 from ₹ 1,090 Lakhs in FY 2022-23.

Profit for the Year

Profit for the year decreased by 16.44% to ₹ 3,003 Lakhs in FY 2023-24 from ₹ 3,594 Lakhs in FY 2022-23.

Total Comprehensive Income

Total comprehensive income decreased by 17.39 % to ₹ 2,969 Lakhs in FY 2023-24 from ₹ 3,594 Lakhs in FY 2022-23.

Cash Flows

Cash and cash equivalents on the balance sheet include cash at banks, cash on hand, and short-term deposits with an original maturity of three months or less, which carry minimal risk of value change. In the statement of cash flows, cash and cash equivalents are represented by cash and short-term deposits, minus any outstanding bank overdrafts, as these are considered a fundamental aspect of our cash management.

Research and Development

The Company prioritizes research and development (R&D) due to its vital role in creating a diverse range of products and solutions for the defence and space sectors. It has invested in precision manufacturing infrastructure and skilled personnel at dedicated R&D centers in Nerul, Navi Mumbai, Maharashtra, and Bengaluru, Karnataka. The R&D center in Nerul is officially recognized and registered with the Department of Scientific and Industrial Research (DSIR). Additionally, the Company has formed partnerships with leading international technology firms, further enhancing its R&D capabilities.

The Company's strong R&D-driven design and technological capabilities allow it to create innovative and advanced products and solutions, drive process innovation, and enhance its existing portfolio. This focus also supports the development of technology for future needs and the establishment of a robust product pipeline. Most of the products and components are designed, developed, and manufactured in India by the Company.

A strong emphasis on R&D is essential for business growth and enhances the Company's ability to meet specific customer needs. Consequently, the Company consistently invests in advanced technology, state-of-the-art equipment, and skilled personnel to enhance the overall customer experience. High-quality, innovative, and technology-driven products and solutions offer early-mover advantages, higher profit margins, and the ability to adapt to shifts in customer demands. Driven by its distinctive R&D capabilities, the Company is positioned to become a preferred supplier.

Risk Management And Risk Mitigation Measures

The Company's comprehensive risk management framework is established based on a plan approved by the Board of Directors. This plan outlines the processes for identifying, analysing, and managing risks, as well as procedures for effectively performing, recording, and monitoring risks. The primary goal of the risk management plan is to implement an integrated approach that ensures all significant risks are identified, understood, and managed effectively. This framework facilitates the deployment of appropriate methodologies and tools for risk identification, assessment, management, and reporting. The Audit Committee and the Board are regularly updated on potential risks and the necessary corrective actions. The Company manages both internal and external risks as deemed appropriate.

Human Resource

The Company has well-structured HR policies designed to promote an equal, transparent and fair workplace culture. It fosters a safe, supportive, and productive work environment. These HR policies aim to align employee goals with organizational objectives, thereby empowering staff. The Company offers regular skill development training and programs to enhance employee capabilities. Employee-friendly management practices, a positive work environment, career development opportunities, and comprehensive benefits are key to maintaining strong employee relations and retention.

The Company focuses on identifying, developing, and retaining talent through various initiatives, including talent acquisition, learning and

development, compensation and benefits, employee engagement, and performance management. Staff members are recognized and rewarded based on their annual performance reviews.

Internal Control Systems

The Company has established a robust system of internal controls that aligns with the nature, size and complexity of its operations. Comprehensive policies, guidelines, and procedures are in place for all business processes. This internal control system is designed to ensure the reliability of financial and other records for accurate financial reporting and asset accountability. It also ensures strict adherence to all relevant statutory and regulatory requirements.

A strong monitoring system is in place to track progress against customer agreement terms, identify issues, and implement necessary corrective and preventive actions to meet guaranteed service levels. A dedicated team regularly monitors costs associated with various projects, providing feedback for corrective measures. The audit committee evaluates internal financial controls and risk management systems with the assistance of internal auditors. Any deviations from standard practices are reported to the Board, and prompt corrective actions are taken.

Information Technology

The Company realises the importance of technology in strategic business growth to achieve its aspirations to scale customer experience, enhance security and ensure ease of operations. Data security is of prime importance. The Company has robust IT infrastructure and enterprise resources planning systems established at its manufacturing facilities. IT infrastructure comprises third-party solutions and applications maintained internally. The Company deploys strong IT disaster management systems including data backup and retrieval mechanisms to ensure sufficient data safeguard.

Cautionary Statement

This document includes statements about anticipated future events, financial performance, and operational results, which are forward-looking. Forward-looking statements inherently involve making assumptions and are subject to risks and uncertainties. There is a considerable risk that these assumptions, predictions, and other forward-looking statements may not turn out to be accurate. Readers should be cautious not to rely excessively on these forward-looking statements, as various factors could cause actual results and events to differ significantly from those projected.

ANNEXURE - 7

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(Information pursuant to the Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming a part)

Sr. No.	Particulars	Remarks
1.	Conservation of energy	
A.	The steps taken or impact on Conservation of Energy	Your Company takes many initiatives to reduce the electricity consumption by using energy efficient products, thus resulting in lower electricity consumption and increasing the productivity.
	i. Process Optimization and automation	
	ii. Optimization of Electrical Equipment	
	iii. Lighting	Discussion with experts and training programs have been ongoing for innovative ideas of production and knowledge updating. The concerned staff members are also encouraged to attend various seminars and workshops for their improvement in various aspects of functioning of the factory.
	iv. Other key initiative for energy conservation	
B.	The steps taken by the Company for utilizing alternate source of energy	There has been an overall improvement in product quality and labour productivity, resulting in economy of cost, and improved operational efficiencies.
C.	The capital investment on energy conservation equipment	Your Company has focused on productivity so that unit consumption per unit is reduced.
2.	Technology Absorption	
A.	The efforts made by the Company towards technology absorption	The Company has no activity relating to technology absorption.
B.	The benefits derived like product improvement, cost reduction, product development or import substitution	The Company has not imported technology during the year under review.
C.	In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)	
D.	The expenditure incurred on Research and Development	

During the period under review the following is the foreign exchange inflow and outflow:

Particulars	FY 2023-24	FY 2022-23
Foreign Exchange Earnings in terms of actual inflows	29,21,51,153.57	27,19,26,391
Foreign Exchange Outgo in terms of actual outflows	82,84,11,940.13	57,55,03,879

For and on behalf of the Board of Directors of
Paras Defence and Space Technologies Limited

Sharad Virji Shah

Chairman & Non-Executive Director
DIN: 00622001

Munjal Sharad Shah

Managing Director
DIN: 01080863

Date: August 27, 2024

Place: Navi Mumbai

ANNEXURE - 8

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the Financial Year Ended March 31, 2024

To,
The Members,
PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED
D-112, TTC INDUSTRIAL AREA,
MIDC, NERUL NAVI MUMBAI
MH 400706 IN

Dear Members,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED** (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 March 31, 2024, 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 March 31, 2024 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
4. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
5. 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 SEBI (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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI') were not applicable to the Company under the financial year under report:
- a. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - b. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - c. 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;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

We report that we have relied on the compliance certificates issued by its officers and taken on record by the Board of Directors at their meeting(s) for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. For Income tax laws and compliance with applicable accounting standards, we have relied on the Audit report issued by the Statutory Auditors. The following are the major head / group of Acts, Laws and Regulations as applicable to the Company:

- a. Factories Act, 1948;
- b. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution, welfare, provident fund, insurance, compensation etc.;

- c. Industries (Development & Regulation) Act, 1951;
- d. Acts relating to consumer protection;
- e. Acts and Rules prescribed under prevention and control of pollution;
- f. Acts and Rules relating to environmental protection and energy conservation;
- g. Acts and Rules relating to hazardous substances and chemicals;
- h. Acts and Rules relating to electricity, fire, petroleum, motor vehicles, explosives, boilers etc.;
- i. Acts relating to protection of IPR;
- j. Acts and Rules relating to the industry to which this Company belongs;
- k. Other local laws as applicable to various plants and offices.

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 Agreement entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE);

We further report that the Company has generally complied with respect to event-based filing of e-forms to be filed with Registrar of Companies.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 for meeting convened under shorter notice, if any, were in compliance with section 173(3) of the Companies Act, 2013. 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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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, following specific events took place:

At the Annual General Meeting convened on September 29, 2023, the Members, by way of Special Resolution, sanctioned the alteration of the Object Clause in the Company's Memorandum of Association (MOA). Specifically, the existing sub-clauses A and B of Clause III were duly amended to reflect the revised objects of the Company.

For DM & Associates Company Secretaries LLP

Company Secretaries
ICSI Unique Code L2017MH003500

Tribhuvneshwar Kaushik

Partner

FCS NO: 10607

CP NO: 16207

UDIN: F010607F000957951

Place: Mumbai

Date: August 12, 2024

Note: This report is to be read with our letter of even date that is annexed as **Annexure - I** and forms an integral part of this report.



ANNEXURE – I

To,
The Members,
PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED
D-112, TTC INDUSTRIAL AREA,
MIDC, NERUL NAVI MUMBAI
MH 400706 IN

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of 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. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. 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 DM & Associates Company Secretaries LLP
Company Secretaries
ICSI Unique Code L2017MH003500

Tribhwneshwar Kaushik
Partner
FCS NO: 10607
CP NO: 16207
UDIN: F010607F000957951

Place: Mumbai
Date: August 12, 2024

Business Responsibility and Sustainability Report

SECTION A- GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the listed entity	L29253MH2009PLC193352
2	Name of the listed entity	Paras Defence and Space Technologies Limited ("Paras" or "the Company")
3	Year of incorporation	2009
4	Registered office address	D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai - 400706
5	Corporate address	D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai - 400706
6	E-mail	cs@parasdefence.com
7	Telephone	022-6919-9999
8	Website	www.parasdefence.com
9	Financial year for which reporting is being done	2023-24
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited National Stock Exchange of India Limited
11	Paid-up Capital	₹ 39,00,00,610
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Jajvalya Raghavan Company Secretary and Compliance Officer cs@parasdefence.com 022-6919-9919 (D)
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis
14	Name of assurance provider	Not Applicable
15	Type of assurance obtained	Not Applicable

II. Products/services

II-16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Design, development, manufacturing, testing & commissioning of products, systems and solutions for Defence & Space Applications	Optics and Optronics System	30
2	Design, development, manufacturing, testing & commissioning of products, systems and solutions for Defence & Space Applications	Defence Engineering	70

II-17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Optics and Optronics System	26700	30
2	Defence Engineering	25999	70

III. Operations

III-18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	2	6	8
International	0	0	0

III-19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	18 (including Union Territories)
International (No. of Countries)	9

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports constitute 16.28% of the total turnover of the entity

c. A brief on types of customers

The Company majorly serves government organizations such as the Defence Research and Development Organization (DRDO), the Indian Space Research Organization (ISRO), Defence Public Sector Undertakings (DPSUs), shipyards and ordnance factories. Additionally, the client base includes publicly listed companies like L&T, BEL, HAL, Tata as well as numerous private and international firms operating in the defence and space industries.

IV. Employees

IV-20. Details as at the end of Financial Year

a. Employees and workers (including differently abled):

No	Particulars	Total(A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
Employees						
1	Permanent (D)	276	205	74.28%	71	25.72%
2	Other than Permanent (E)	0	0	0.0%	0	0.0%
3	Total employees (D + E)	276	205	74.28%	71	25.72%
Workers						
1	Permanent (F)	142	134	94.37%	8	5.63%
2	Other than Permanent (G)	0	0	0.0%	0	0.0%
3	Total Workers (F + G)	142	134	94.37%	8	5.63%

b. Differently abled Employees and workers:

No	Particulars	Total(A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
Differently Abled Employees						
1	Permanent (D)	0	0	0.0%	0	0.0%
2	Other than Permanent (E)	0	0	0.0%	0	0.0%
3	Total differently abled employees (D + E)	0	0	0.0%	0	0.0%
Differently Abled Workers						
1	Permanent (F)	0	0	0.0%	0	0.0%
2	Other than Permanent (G)	0	0	0.0%	0	0.0%
3	Total Workers (F + G)	0	0	0.0%	0	0.0%

IV-21. Participation/Inclusion/Representation of women

	Total(A)	No. and percentage of Females	
		No(B)	%(B/A)
Board of Directors	6	2	33.33%
Key Management Personnel	4	2	50.00%

IV-22. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years)

	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10%	4%	8%	15%	10%	13%	12%	8%	11%
Permanent Workers	0	0	0	12%	0	12%	10%	0	10%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

V-23. Names of holding / subsidiary / associate companies / joint ventures.

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Paras Green UAV Private Limited	Wholly Owned Subsidiary	100	No
2	Opel Technologies Pte. Ltd.	Wholly Owned Subsidiary	100	No
3	Quantico Technologies Private Limited	Wholly Owned Subsidiary	100	No
4	Mechtech Thermal Private Limited	Subsidiary	70	No
5	Paras Aerospace Private Limited	Subsidiary	60	No
6	Ayatti Innovative Private Limited	Subsidiary	58.02	No
7	Paras Anti-Drone Technologies Private Limited	Subsidiary	55	No
8	Krasny Paras Defence Technologies Private Limited	Associate	47.5	No
9	Controp-Paras Technologies Private Limited	Associate	30	No

VI. CSR Details

VI-24. (i). Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

VI-24. (ii). Turnover (in ₹) - ₹ 23,243 Lakhs

VI-24. (iii). Net worth (in ₹) - ₹ 44,665 Lakhs

VII. Transparency and Disclosures Compliances

VII-25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, weblink can be accessed at: www.parasdefence.com	0	0	-	0	0	-
Investors (other than shareholders)		0	0	-	0	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders		3	0	All the complaints were resolved within the stipulated time	14	0	All the complaints were resolved within the stipulated time
Employees and workers		0	0	-	0	0	-
Customers		0	0	-	0	0	-
Value Chain partners		0	0	-	0	0	-
Other (please specify)	No	0	0	-	0	0	-

VII-26. Overview of the entity’s material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change	Risk	Climate change poses risks to Paras Defence, impacting operations, supply chains, and financial stability. Additionally increase in operating costs and geopolitical dynamics could necessitate costly innovation and adaptation.	We evaluated the climate change risk exposure of all our operational sites and developed a plan to mitigate the potential impacts. The Company ensures that energy-efficient equipment is installed across its manufacturing units. The maintenance team is in charge of overseeing this and considerations such as energy ratings are taken into account during the procurement process.	Negative
2	Corporate Governance	Opportunity	We have a highly experienced management team, with our promoters having over three decades of expertise in the design, development and manufacturing of a wide range of engineering products for the defence and space sectors. This extensive experience has allowed us to establish strong, long-term relationships with customers and suppliers. The company has also assembled a skilled management and execution team, including many former employees from BEL and DRDO, further strengthening its industry capabilities.	-	Positive
3	Employee Satisfaction and Wellness	Opportunity	Focusing on employee satisfaction and wellness offers significant opportunities, including enhanced productivity, innovation and operational resilience. Prioritizing employee well-being also aids in attracting and retaining top talent, reduces turnover, and strengthens the company’s reputation as a responsible employer. Additionally, wellness initiatives can lower healthcare costs, reduce absenteeism, and improve stress management, all contributing to better financial performance and sustainable growth.	-	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Environment footprint – Waste and Emissions	Opportunity and Risk	Proactively managing environmental impact can lead to enhanced regulatory compliance, cost savings and improved reputation, positioning the company as a sustainability leader. This focus can also drive innovation, opening new market opportunities and future-proofing the business. However, failure to effectively manage these metrics could result in regulatory penalties, increased operational costs, reputational damage, and potential competitive disadvantages, making it crucial for us to balance these factors.	The company has a proven waste management practice in place that makes sure that proper waste removal as per the waste category defined by the MPCB and State Pollution Control Board(s) is carried out.	Positive and Negative
5	Product Design, Quality and Innovation	Opportunity	By prioritizing continuous improvement and keeping up with the latest technological advancements, businesses can develop innovative products that cater to changing customer demands. Adopting user-centric design, integrating sustainability practices and nurturing a culture of creativity and collaboration can result in a competitive edge, customer allegiance and market expansion.	-	Positive
6	Customer Satisfaction and Retention	Opportunity	Customers who are satisfied with our products and services tend to demonstrate loyalty and actively promote Paras's offerings within their networks. This positive customer behavior can drive increased sales and help build a strong brand reputation. At the same time the Company caters to a diverse global clientele. Any undesirable customer experience could lead to customer attrition or reputational damage.	-	Positive

SECTION B- MANAGEMENT AND PROCESS DISCLOSURES

Policy and management processes

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.parasdefence.com/uploads/investors/files/Code_of_Conduct_for_Board_of_Directors_and_SMPs.pdf								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"> • ISO 45001:2018 • ISO 9001:2015 • ISO 9100: 2016 • ISO9001:2015 • ISO 14001: 2015 • AS 9100D • DRDO Registration Certificate • CVRDE Registration Certificate 								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Our organisation acknowledges the significance of establishing targets to assess advancement towards achieving all the principles of the National Guidelines on Responsible Business Conduct (NGRBC). Considering that we are in our initial years of ESG journey, we intend to specify our objectives and targets in the upcoming reporting period.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	As and when objectives and targets are finalized, we will be monitoring the performance periodically.								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	<p>Paras is committed to conducting business in an ethical and sustainable manner to create a positive impact on society and the environment. On the social front, we have recognized the need to foster diversity, equality and inclusion within our organization. The Company undertakes initiatives towards communities' development through CSR programs.</p> <p>The Company is committed to ESG. The Company always adopts the methods for reduction and optimal utilization of energy, water, raw material etc. by incorporating new techniques and innovative ideas. The Company took initiatives to reduce the electricity and water consumption by adopting latest technologies.</p> <p>In conclusion, as we continue to embrace new challenges and opportunities, we remain committed to transparent reporting, active stakeholder engagement and continuous improvement in our Sustainability and CSR performance. I extend my gratitude to all our employees, customers, partners and stakeholders for their invaluable support and contributions in our journey. Together, we can build a sustainable future that respects our planet, empowers communities and delivers long-term prosperity.</p> <p>Munjal Sharad Shah Managing Director DIN: 01080863</p>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Board is responsible for implementation and overview of the Business Responsibility Policies.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The Board's Corporate Social Responsibility (CSR) Committee is responsible for sustainability related issues of the Company. This Committee meets at least twice a year to review the Company's sustainability and CSR performance.								
10. Details of Review of NGRBCs by the Company: Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									

Disclosure Questions	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8
Performance against above policies and follow up action	Yes, the review was done by the Board of Directors of the Company.								Annually or on need basis								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company periodically complies with the extant regulations and principles as are applicable. There were no material non-compliances with respect to statutory / regulatory requirements. The review for the same was done by the Board of Directors of the Company.								Annually or on need basis								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Sr. no	P1	P2	P3	P4	P5	P6	P7	P8	P9
	All the policies are evaluated by our internal team of experts. Third-party assessments and certifications will be performed as and when necessary.								

12. If answer to question (1) above is No i.e. not all Principles are covered by a policy, reasons to be stated

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									Not Applicable
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									Not Applicable
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C- PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

EI-1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of directors	4	The Company regularly conducts familiarization programs for its Directors in accordance with the SEBI Listing Regulations and other applicable laws. These programs are designed to ensure that the Directors and Key Managerial Personnel (KMPs) are well-informed about a range of topics. This includes updates on industry trends, the company's business model, recent statutory changes, governing regulations, environmental, social and governance (ESG) issues and advancements in technology. The programs also cover the Directors' roles, rights and responsibilities, as well as developments in defence, economic conditions and the operational environment. Also, Board and KMPs are briefed on new business initiatives, strategic investments, corporate governance practices and various risk factors affecting the Company.	100
Key Managerial personnel	4		100
Employees other than BoD and KMPs	2	The Company asserts on employee training and development. The employees undergo various training / awareness sessions such as induction training at the time of joining, safety training, technical and compliance training during employment. During FY 2023 - 24 periodic awareness programs on topics - energy and water conservation, vendor and client management, ESG, code of conduct, sexual harassment, financial planning and implications of tax saving, etc. were done by Paras	95
Workers	3	Industrial Safety training, Work Procedures, Processing standards etc. are provided to the workers on a continuous basis. Additionally, the company has developed special training programs for the workers to enhance their skills. The Main aspects covered in such trainings are Job specific training, Safety and quality training, work procedures and guidelines.	90

EI-2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	-	0	-	-
Settlement	-	-	0	-	-
Compounding fee	-	-	0	-	-

Non-Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

EI-3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

S. No.	Case Details	Case Details
1	NA	-

EI-4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. The Company has an anti-corruption and anti-bribery policy. The policy asserts on our zero-tolerance approach towards corruption and bribery. The policy also provides information and guidance on how to trace and deal with bribery and corruption issues. As a part of our training on the Code of Conduct, anti-bribery awareness sessions are also given to employees on Anti-Corruption and Anti-bribery topics. The weblink for this policy is https://www.parasdefence.com/uploads/investors/files/Policy_on_Anti-Corruption_and_Anti-Bribery.pdf

EI-5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	(Current Financial Year)	(Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

EI-6. Details of complaints with regard to conflict of interest:

Category	Number (CY)	Remarks (CY)	Number (PY)	Remarks (PY)
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

EI-7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

There have been no cases with respect to corruption and conflicts of interest.

EI-8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

Particulars	Current Financial Year	Previous Financial Year
Number of days of accounts payables	113 days	64 days

El-9. Open-ness of business. Provide details of concentration of purchases with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format.

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0	0
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0	0
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.02%	0.00%
	b. Sales (Sales to related parties / Total Sales)	10.55%	12.35%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	94.99%	9.71%
	d. Investments (Investments in related parties / Total Investments made)	28.93%	42.30%

Leadership Indicators

LI-1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

S. No.	Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	0	0	0

LI-2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the code of conduct for Board Members and Senior Management covers in detail the concern of conflict of interest. The Directors and Senior Management are required to annually provide declarations of compliance with the Code of Conduct. The code of conduct is uploaded on the website of the company and the link for the same is given below: https://www.parasdefence.com/uploads/investors/files/Code_of_Conduct_for_Board_of_Directors_and_SMPs.pdf

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

El-1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0.5	0.5	Paras has been dealing in the segments of optics and optronics system and defence engineering while focusing on improving the environmental and societal effects of its products, striving for a more sustainable and socially accountable approach.
Capex	99.5	99.5	

El-2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) - Yes

El-2. b. If yes, what percentage of inputs were sourced sustainably?

Yes, at Paras, we are dedicated to sustainable sourcing practices. We carefully consider various factors when selecting our major raw material suppliers. Over 60% of our inputs are sourced sustainably. The Company has relevant procedures to ensure responsible sourcing, supported by a Supplier Code of Conduct. This aims to foster sustainability among our vendors and promote responsible behaviour beyond our own manufacturing facilities.

El-3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The company operates in the Defence and Space sectors, providing advanced technology products and services. Due to the nature of its business, product reclamation from customers is not practiced. The company has implemented rigorous processes in line with regulatory

requirements for the reuse, recycling and disposal of end-of-life materials, including plastics, packaging, e-waste, hazardous waste, and other production-related waste. Furthermore, the company adheres to all conditions and procedures mandated by the respective State Pollution Control Boards.

El-4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable. The main products of the Company are Defence and space technology products for use in security applications. Once the products are sold, they would not be returned to the Company.

Leadership Indicators

LI-1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

S. No.	NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
1	0	0	0	0	0	0

LI-2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

S. No.	Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable			

LI-3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
Not Applicable		

LI-4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Indicate input material	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste						
Hazardous waste						
Other waste						
Not Applicable						

LI-5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

S. No.	Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
1	Not Applicable	0

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**Essential Indicators**

EI-1. a. Details of measures for the well-being of employees .

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Employees											
Male	205	31	15.12%	31	15.12%	0	0.00%	8	3.90%	0	0.00%
Female	71	9	12.68%	9	12.68%	7	9.86%	0	0.00%	0	0.00%
Total	276	40	14.49%	40	14.49%	7	2.54%	8	2.90%	0	0.00%
Other than permanent Employees											
Male	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Female	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

EI-1. b. Details of measures for the well-being of workers .

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	134	40	29.85%	40	29.85%	0	0.00%	1	0.75%	0	0.00%
Female	8	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	142	40	28.17%	40	28.17%	0	0.00%	1	0.70%	0	0.00%
Other than permanent Workers											
Male	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Female	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

EI-1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Particulars	Current Financial Year	Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.4%	0.3%

EI-2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	No. of employees covered as a % of total employees. (CY)	No. of workers covered as a % of total workers. (CY)	Deducted and deposited with the authority (Y/N/N.A.). (CY)	No. of employees covered as a % of total employees. (PY)	No. of workers covered as a % of total workers. (PY)	Deducted and deposited with the authority (Y/N/N.A.). (PY)
PF	31.5	39.4	Y	15.4	38.3	Y
Gratuity	100	100	Y	100	100	Y
ESI	14.4	28.16	Y	21	15	Y
Others – please specify	0	0	0	0	0	0

EI-3. Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the Company has the necessary infrastructure in place to make the workplaces accessible to differently-abled employees, workers and visitors. Such infrastructural arrangements include without limitation, easily accessible sites and building entrances, easily operated doors, sufficiently illuminated wide corridors etc .

EI-4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. Equal Opportunity forms a part of our Policy on Employee Wellness. The link can be found here: <https://www.parasdefence.com/investors>

EI-5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	75%	100%	0
Female	28.57%	100%	0	0
Total	64.29%	85.71%	100%	0

EI-6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers	Yes, The Company has adopted an Open Door Policy for all its employees to encourage open communication, feedback and discussion about any matter of importance to employees. Employees can share their grievances by phone call, email, other verbal / written means of communication with their HOD or HR. Further, the Company also has a vigil mechanism and whistle blower policy for redressal of grievances.
Permanent Employees Other than Permanent Employees	

EI-7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Indicate input material	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union(B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union(D)	% (D / C)
Total Permanent Employees	276	0	0.00%	344	0	0.00%
- Male	205	0	0.00%	270	0	0.00%
- Female	71	0	0.00%	74	0	0.00%
Total Permanent Workers	142	0	0.00%	60	0	0.00%
- Male	134	0	0.00%	60	0	0.00%
- Female	8	0	0.00%	0	0	0.0%

Remarks: None of our employees or workers are members of any association(s) or unions.

EI-8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	205	120	58.54%	23	11.22%	270	5	1.85%	5	1.85%
Female	71	35	49.30%	22	30.99%	74	4	5.41%	4	5.41%
Total	276	155	56.16%	45	16.30%	344	9	2.62%	9	2.62%
Workers										
Male	134	80	59.70%	30	22.39%	60	6	10.00%	6	10.00%
Female	8	8	100.00%	5	62.50%	0	0	0.0%	0	0.0%
Total	142	88	61.97%	35	24.65%	60	6	10.00%	6	10.00%

El-9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	205	153	74.63%	270	200	74.07%
Female	71	57	80.28%	74	70	94.59%
Total	276	210	76.09%	344	270	78.49%
Workers						
Male	134	105	78.36%	60	40	66.67%
Female	8	7	87.50%	0	0	0.0%
Total	142	112	78.87%	60	40	66.67%

El-10. a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, RIR Certification Private Limited has granted ISO 45001:2018 certification to all our Company's Plants. This certification helps mitigate potential hazards for employees and visitors within our premises, promoting cost efficiency and reducing occupational incidents. The company places paramount importance on occupational health and safety management.

El-10. b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The company diligently reviews work-related hazardous risks every quarter, facilitating the identification of safety concerns across various manufacturing processes and maintaining compliance monitoring. The company effectively recognizes hazardous risks on both routine and non-routine bases. The company consistently scrutinizes its safety apparatus to foster a safe work environment with minimal accidents. Every recommendation from regulators and industry forums regarding employee and worker safety and health is promptly implemented, demonstrating our steadfast commitment to this vital aspect.

El-10. c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N) - Yes

El-10. d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the eligible Employees/workers are covered under various statutory regulations as applicable to the Company.

El-11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

El-12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Creation of an Emergency Assembly Area, ensuring secure congregation during a critical situation. Establishment of a Fire Hydrant and sprinkler system to tackle fire-related hazards. Provision of Personal Protective Equipment (PPE) during work activities. Ensuring accessible drinking water facilities and sanitation amenities. Implementation of CCTV cameras, bolstering physical security and premises surveillance. Availability of comprehensive Standard Operating (SOPs) within the work environment. Conduction of Health and Safety Training and Mock Drills at regular intervals for heightened awareness. Regular execution of Safety Audits to Assess and enhance safety protocols.

El-13. Number of Complaints on the following made by employees and workers:

Indicate input material	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

El-14. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% (All our plants are ISO 45001:2018 certified through RIR Certification Private Limited and regular ISO audits / reviews are conducted)
Working Conditions	100%

El-15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Regular health and safety training sessions and mock drills are conducted to raise awareness and preparedness among employees. Standard Operating Procedures (SOPs) and safety protocols are regularly reviewed and updated based on incident reports and assessments. The company holds ISO 45001 certification across all its plants and actively integrates recommendations aimed at bolstering safety measures and risk management throughout our product life cycle. The ISO 45001 audits are treated with utmost seriousness by Management and are consistently overseen to address any observation raised by the ISO auditors.

Leadership Indicators

LI-1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N). - Yes, the eligible Employees/workers are covered under various statutory regulations applicable to the company.

LI-2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

GST reconciliation is monitored and completed every month between GSTR - 1 (sales), GSTR -2A & GSTR -2B (ITC), and GSTR - 3B (Net liability for payment) TDS deducted by customers is reconciled with Form 26AS & TDS liability for vendors is deducted and paid timely. The company consistently emphasizes to its value chain partners the imperative of not only deducting the statutory dues but also promptly remitting all statutory obligations.

LI-3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	0	0	0	0

LI-4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Our company is committed to ensuring the well-being and support of all our employees throughout their tenure with us. Currently, we do not offer a formal transition assistance program for employees retiring or transitioning due to employment termination. However, we understand the significance of having such support structures in place. To maintain a positive and supportive work environment, we continuously review and refine our policies and benefits. This approach allows us to address the evolving needs of our workforce effectively and ensure a seamless experience for all employees.

LI-5. Details on assessment of value chain partners:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	85%
Working Conditions	85%

LI-6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. - After thorough assessments, our company has not identified any significant risks or concerns related to health and safety practices or working conditions among our value chain partners. We continue to monitor and engage with our partners to ensure compliance with our standards and maintain a safe and healthy working environment across our supply chain

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

El-1. Describe the processes for identifying key stakeholder groups of the entity.

Our strategy and business model are centered on prioritizing our stakeholders. By staying informed about their evolving needs, we can make informed and strategic decisions. The key stakeholder groups crucial to our success include clients, technical and joint venture partners, employees, government bodies, regulatory agencies, suppliers, auditors, bankers, NGOs, and the community. To this end, we have implemented a rigorous process for identifying and engaging with stakeholders to enhance our partnerships. We regularly review stakeholders feedback to understand and respond to their evolving interests, concerns and expectations of our business. We welcome inputs from various stakeholders and actively work to strengthen these relationships.

EI-2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Employees	No	Email (internal communication), Notices and Communication Mechanisms	Regular We send regular communication as and when business functions ask for it. It varies on case to case basis	<ul style="list-style-type: none"> Organizational Initiatives Company Activities Key Developments Policy Education Milestones and Achievements Wellness Initiatives Health and Safety Measures Training Programs Recognition and Rewards Grievance Handling
2	Shareholders/ Investors	No	Emails, Newspaper, Advertisement, web-site of the Company and Stock Exchanges and General Meetings	Quarterly and Event specific as per Statutory Requirement.	<ul style="list-style-type: none"> Current Performance Strategic Goals Initiatives and Projects Expansion and Growth Plans
3	Suppliers and Distributors	No	Vendor assessment and review, Training workshop, Supplier audits, official communication channels: Website, Email and Phone calls	Ongoing	<ul style="list-style-type: none"> Risk Management Business Opportunities Supplier Transparency Value Chain Efficiency Payments Management Purchase Price Optimization
4	Community	No	CSR initiatives	Annual and on need basis	<ul style="list-style-type: none"> Execution of CSR Projects such as animal welfare, conserving water resources, and promoting health and education. Conducting important events such as Blood Donation Camps
5	Government and Regulatory Bodies	No	Compliance Reports, Regulatory audits/ inspections	Quarterly, Half Yearly, Annually and on need basis	<ul style="list-style-type: none"> Ensuring Compliances with applicable laws Inspections Approvals Assessments

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
6	Customers	No	Customer meets, website, Phone calls, emails and meetings	Frequently and as and when required	<ul style="list-style-type: none"> Information regarding new Products and Services Redressing Grievances and Complaints Issues related to Technical, Logistic, Timelines, Terms and Condition etc.

Leadership Indicators

LI-1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company actively engages with stakeholders to enhance performance and create value for both the ecosystem and its operations. Engagement methods differ based on the stakeholder group. Senior management conducts regular meetings with various stakeholders. Shareholders, investors, and analyst investors are involved through Group Meetings, Annual General Meetings, and grievance channels such as the Scores Portal, email, and phone calls. While sustainability is an important topic, the main focus remains on strategy and performance. Customer feedback is collected through meetings, emails and phone calls that address customer service, complaints and new product offerings. Employee engagement is a priority, using various platforms and communication channels. This includes addressing concerns, providing feedback and evaluations, sharing updates via email, holding team meetings and organizing awareness programs. The Company aims to understand stakeholders' expectations and requirements related to Environmental, Social, and Governance (ESG) issues, thereby enhancing the value delivered to stakeholders.

LI-2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Engagement with communities primarily involves discussions where their views and opinions on CSR programs are carefully considered. The formulation of Company policies related to Corporate Social Responsibility has been the outcome of ongoing interactions with the stakeholders. The discussions with employees, HR, and team leads have also enabled the Company to implement activities like employee well-being programs, while also promoting environmental initiatives such as water, electricity and fuel conservation.

LI-3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

The Company actively involves its vulnerable/ marginalized stakeholder groups, particularly communities through the CSR initiatives and improving livelihoods for the target beneficiaries. It also prioritizes keeping stakeholders informed about new technologies, safety measures and industry developments aimed at mitigating risks. Proactive engagement yields valuable insights that inform material issues, shape business strategy and operations, and mitigate reputational risks. Committing to fostering positive relationships, the Company engages extensively with all stakeholders, including vulnerable and marginalized groups, on various issues. This is mainly done through:

- Volunteering activities to address local needs of the beneficiaries.
- CSR initiatives with regard to animal welfare, conserving water resources, and promoting health and education.
- By contributing towards environmental sustainability.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

EI-1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	276	276	100.00%	344	273	79.36%
Other than per-manent	0	0	0.0%	0	0	0.0%
Total Employees	276	276	100.00%	344	273	79.36%
Workers						
Permanent	142	142	100.00%	60	23	38.33%
Other than per-manent	0	0	0.0%	0	0	0.0%
Total Workers	142	142	100.00%	60	23	38.33%

EI-2. Details of minimum wages paid to employees, in the following format:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	276	19	6.88%	257	93.12%	344	49	14.24%	295	85.76%
Male	205	15	7.32%	190	92.68%	270	32	11.85%	238	88.15%
Female	71	4	5.63%	67	94.37%	74	17	22.97%	57	77.03%
Other than Permanent	0	0	0	0	0.0%	0	0	0.0%	0	0.0%
Male	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Female	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Workers										
Permanent	142	11	7.75%	131	92.25%	60	34	56.67%	26	43.33%
Male	134	11	8.21%	123	91.79%	60	34	56.67%	26	43.33%
Female	8	0	0.00%	8	100.00%	0	0	0.0%	0	0.0%
Other than Permanent	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Male	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Female	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%

EI-3. a. Details of remuneration/salary/wages, in the following format:

Median remuneration/wages:

Gender	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹ in lakhs)	Number	Median remuneration/ salary/ wages of respective category (₹ in lakhs)
Board of Directors (BoD)	4	84	2	38.36
Key Managerial Personnel	1	48	2	18.41
Employees other than BoD and KMP	205	0.38	71	0.34
Workers	134	0.25	8	0.25

EI-3. b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	Current Financial Year	Previous Financial Year
Gross wages paid to females as % of total wages	19.33	18.2

EI-4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the HR Head and Executive Director of the company are responsible for addressing any human rights impacts or issues that may be caused or influenced by the company's Human Rights Policy (https://www.parasdefence.com/uploads/investors/files/Policy_on_Human_Right.pdf)

EI-5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has a robust grievance redressal system. Paras complies with applicable labour Laws and a periodical compliance report which has been submitted by Heads of Divisions. For any grievances related to human rights, employees can report concerns to their superiors or the HR department. Post this, a Committee may be formed to investigate complaints, as well as ensure prompt resolution. Further, Internal Complaints Committee under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, is constituted in the company to deal with Complaints related to Sexual Harassment and conduct enquiries on such issues.

EI-6. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	0	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related issues	0	0	0	0	0	0

EI-7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	Current Financial Year	Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

EI-8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The company has strong protocols in place to ensure that there are no adverse consequences to the complainant in the case of any complaints with respect to human rights. In addition, complainants can directly approach the Chairman of the Audit Committee, as per the Board approved Vigil Mechanism & Whistleblower Policy which provides for inherent safeguards against victimization of complainants.

EI-9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, all our business agreements and contracts require the counter-party to comply with applicable regulatory requirements, which also include human rights

EI-10. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at work-place	100%
Wages	100%
Others – please specify	0

El-11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

We confirm that no such incidents have occurred.

Leadership Indicators

LI-1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

As the company has not received any major human rights grievances/complaints, there was no need to modify/introduce any business process.

LI-2. Details of the scope and coverage of any Human rights due-diligence conducted.

Not applicable, as no human rights due - diligence was conducted during the year.

LI-3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the company actively promotes an inclusive accessibility framework.

LI-4. Details on assessment of value chain partners:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	0
Discrimination at workplace	0
Child Labour	0
Forced Labour/Involuntary Labour	0
Wages	0
Others – please specify	0

Remarks: The company has a zero-tolerance policy against the matters mentioned herein and regularly conveys to all its value chain partners about the same.

LI-5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No such incident occurred to date.

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

El-1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	0.00	0.00
Total fuel consumption (B)	0.00	0.00
Energy consumption through other sources (C)	0.00	0.00
Total energy consumed from renewable sources (A+B+C)	0.00	0.00
From non-renewable sources (In Gigajoules)		
Total electricity consumption (D)	11073.62	9475.073093
Total fuel consumption (E)	187.04	83
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	11260.66	9558.07
Total energy consumed (A+B+C+D+E+F)	11260.66	9558.07
Energy intensity per rupee of turnover	0.48 GJ / Lakh	0.45 GJ / Lakh
(Total energy consumption/ turnover in rupees)		
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	10.86 GJ / Lakh \$	9.97 GJ / Lakh \$
Energy intensity in terms of physical output	5.26 GJ / No. of units produced	4.47 GJ / No. of units produced
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

El-2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. - No

El-3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	12460	8771
(iv) Seawater / desalinated water	0	0
(v) Others	70	Not available
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	12530	8771
Total volume of water consumption (in kilolitres)	12530	8771
Water intensity per rupee of turnover (Water consumed / turnover)	0.53909 KL / Lakh	0.41256 KL / Lakh
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	12.08293 KL / Lakh \$	9.14503 KL / Lakh \$
Water intensity in terms of physical output	5.8551 KL / No. of units produced	4.1005 KL / No. of units produced
Water intensity (optional) – the relevant metric may be selected by the entity. KL / of	-	-

Remarks: Here, "Others" refers to Bisleri water purchased for human consumption.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

El-4. Provide the following details related to water discharged: Water discharge by destination and level of treatment (in kilolitres)

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
With treatment – please specify level of treatment		Not Available
(ii) To Groundwater		
- No treatment		
With treatment – please specify level of treatment		Not Available
(iii) To Seawater		
- No treatment		
With treatment – please specify level of treatment		Not Available
(iv) Sent to third-parties		
- No treatment		
With treatment – please specify level of treatment		Not Available
(v) Others		
- No treatment		
With treatment – please specify level of treatment		Not Available
Total water discharged (in kilolitres)		

Remarks: Any chemically reactive residues are neutralized prior to discharge into surface water bodies.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

El-5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Though there is no specific mechanism for Zero Liquid Discharge, we have processes in place to ensure that water is utilized conservatively, economically and in an environmentally-conscious manner. Water is discharged after proper treatment to ensure that all chemically reactive residues are neutralized.

EI- 6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	Current Financial Year	Previous Financial Year
NOx			
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)		Not Available	
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Remarks: We are working on developing processes to collect this data centrally, and will report it in the future.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No.

EI-7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) in MTCO₂E & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ e	14	6
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ e	2183.96	2131.89
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	TCO ₂ e / rupee of turnover	0.09456 TCO ₂ e / Lakh	0.100559 TCO ₂ e / Lakh
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	TCO ₂ e / rupee of turnover	2.11954 TCO ₂ e / Lakh \$	2.22906 TCO ₂ e / Lakh \$
Total Scope 1 and Scope 2 emission intensity in terms of physical output	TCO ₂ e / rupee of turnover	1.0271 TCO ₂ e / No. of units produced	0.9990 TCO ₂ e / No. of units produced
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	TCO ₂ e / of	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No.

EI-8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, the Company ensures that energy-efficient equipment is installed across its manufacturing units. The maintenance team is in charge of overseeing this and considerations such as energy ratings are taken into account during the procurement process.

EI-9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)		
E-waste(B)		
Bio-medical waste (C)		
Construction and demolition waste (D)		NA
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)		
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	4.70	Not Available
Total (A + B + C + D + E + F + G + H)	4.70	Not Available
Waste intensity per rupee of turnover (Total Waste Generated / Revenue from operations)	0.00020 MT / Lakh	Not Available
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste Generated / Revenue from operations adjusted for PPP)	0.00453 MT / Lakh \$	0.0000 MT / Lakh \$
Waste intensity in terms of physical output	0.0022 MT / No. of units produced	0.0000 MT / Lakh
Waste intensity (optional) the relevant metric may be selected by the entity	-	-

Parameter	FY 2023-24	FY 2022-23
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations		
(in metric tonnes)		
Category of waste - Plastic		
(i) Recycled		
(ii) Re-used		NA
(iii) Other recovery operations		
Total		
Category of waste - E-Waste		
(i) Recycled		
(ii) Re-used		NA
(iii) Other recovery operations		
Total		
Category of waste - Bio-medical waste		
(i) Recycled		
(ii) Re-used		NA
(iii) Other recovery operations		
Total		
Category of waste - Construction and demolition waste		
(i) Recycled		
(ii) Re-used		NA
(iii) Other recovery operations		
Total		
Category of waste - Battery waste		
(i) Recycled		
(ii) Re-used		NA
(iii) Other recovery operations		
Total		
Category of waste - Radioactive waste		
(i) Recycled		
(ii) Re-used		NA
(iii) Other recovery operations		
Total		
Category of waste - Other Hazardous waste		
(i) Recycled		
(ii) Re-used		NA
(iii) Other recovery operations		
Total		
Category of waste - Other Non-Hazardous waste		
(i) Recycled		
(ii) Re-used		NA
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste - Plastic		
(i) Incineration		
(ii) Landfilling		NA
(iii) Other disposal operations		
Total		
Category of waste - E-Waste		
(i) Incineration		
(ii) Landfilling		NA
(iii) Other disposal operations		
Total		
Category of waste - Bio-medical Waste		
(i) Incineration		
(ii) Landfilling		NA
(iii) Other disposal operations		
Total		
Category of waste - Construction and demolition waste		

Parameter	FY 2023-24	FY 2022-23
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		NA
Total		
Category of waste - Battery		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		NA
Total		
Category of waste - Radioactive		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		NA
Total		
Category of waste - Other Hazardous waste. Please specify, if any		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		NA
Total		
Category of waste - Other Non-hazardous waste generated		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		NA
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

EI-10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

At Paras Defence, the main type of manufacturing waste generated is residue material such as aluminium and mild steel. This material is sold off for further reuse and recycling purposes. All E-waste is given to authorized recyclers. In addition, throughout all locations, facilities such as dustbins have been provided at key points for disposal of other kinds of waste.

EI-11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	0	0	0

Remarks: Not Applicable as no operations/ offices are located in/around ecologically sensitive areas

EI-12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

S. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	Not Applicable					

Remarks: No Environmental Impact Assessments of projects were undertaken during the reporting period of FY 2023-24.

El-13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1			NA	

Remarks: The Company is compliant with all applicable environmental law/ regulations/ guidelines in India.

Leadership Indicators

LI-1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

- (i) Name of the area - Not Applicable
- (ii) Nature of operations - Not Applicable

Water withdrawal, and consumption in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Ground water	0	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	0	0
Total volume of water consumption (in kilolitres)	0	0
Water intensity per rupee of turnover (Water consumed / turnover)	0.0000 KL / Lakh	0.0000 KL / Lakh
Water intensity (optional) – the relevant metric may be selected by the entity. KL / of	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Ground water		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

Remarks: None of our plants/facilities are located in water stress areas.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

LI-2. Please provide details of total Scope 3 emissions (MTCO2E) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)		-	-
Total Scope 3 emissions per rupee of turnover	/ rupee of turnover	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	/ of	-	-

Remarks: The process of computation will be initiated and the particulars will be made available in due time.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

LI-3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable, as the Company does not have any operations/offices in/around ecologically sensitive areas.

LI-4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Deployment of energy-efficient equipment across all manufacturing units and office	The Company ensures that energy-efficient equipment is installed across its manufacturing units. The maintenance team is in charge of overseeing this and considerations such as energy ratings are taken into account during the procurement process.	Overall energy consumption has decreased

LI-5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has established a comprehensive business continuity and disaster management plan designed to enhance organizational resilience and minimize the impact of disasters, crisis and disruptive events. This plan includes emergency preparedness measures for handling various types of emergencies, hazards and risks. Employees receive relevant information and basic training on emergency preparedness and response, with clear communication of the duties and responsibilities of different roles. The framework outlines the procedures for developing, implementing, testing and maintaining business continuity to ensure that critical operations can continue with acceptable levels of performance during disruptions.

LI-6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not Applicable

LI-7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

EI-1. a. Number of affiliations with trade and industry chambers/ associations.

We are affiliated with 4 trade and industry chambers/associations.

EI-1. b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. NO	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Society of Indian Defence Manufactures	National
2	Engineering Export Promotion Council of India	National
3	Federation of Indian Export Organisation	National
4	Authorised Economic Operator	International

EI-2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

S. NO	Name of authority	Brief of the case	Corrective action taken
1		There have been no action or issues related to anti-competitive conduct and no adverse orders from any authority during the FY 2023-24.	

Leadership Indicators

LI-1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1	The Company is not currently engaged in public policy advocacy.				

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

EI-1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	During FY 2023-24, we have not undertaken any projects that require Social Impact Assessments (SIA).			Not applicable		

EI-2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
1	During FY 2023-24, we have not undertaken any projects that require Rehabilitation and Resettlement (R&R).				Not applicable	

EI-3. Describe the mechanisms to receive and redress grievances of the community.

The Company periodically undertakes formal and informal sessions with the community. In these sessions, the Company works on undertaking queries, feedback and grievances. In addition, during the CSR programmes conducted by the Company, the company representatives are in constant contact with the community, to note and provide resolution for any grievances.

EI-4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Category	Current Financial Year	Previous Financial Year
Directly sourced from MSMEs/ small producers	23.56%	35.04
Sourced directly from within India	45.04%	NA

EI-5. Job creation in smaller towns- Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost. (Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Location	Current Financial Year	Previous Financial Year
Rural	0	0
Semi-urban	0	0
Urban	6.24	4.52
Metropolitan	93.76	95.48

Leadership Indicators

LI-1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

S. No.	Details of negative social impact identified	Corrective action taken
1		Not Applicable

LI-2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1	Maharashtra	Jalgaon	200000
2	Maharashtra	Mumbai	1400000
3	Gujarat	Nara	1800000
4	Gujarat	Kutch	1000000
5	Rajasthan	Dungarpur	2500000

LI-3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No) - No, we do not have a policy on this as yet.

LI-3. b. From which marginalized /vulnerable groups do you procure? - Not Applicable

LI-3. c. What percentage of total procurement (by value) does it constitute? - Not Applicable

LI-4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
				Not Applicable

LI-5. Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein usage of traditional knowledge is involved.

S. No.	Name of authority	Brief of the Case	Corrective action taken
1			Not Applicable

LI-6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Animal Welfare	500+ Cows	100
2	Water Conservation	3000+	100
3	School building painting and maintenance work	500+	100
4	Promotion of Healthcare	5000+	100
5	Promotion of education and social welfare	500+	100
6	Providing food and education to poor children	92 Families	100

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

EI-1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

For any feedback on our products or complaints, the customers can reach out to the Company on a dedicated email id: business@parasdefence.com. Post this, we engage with the customers at various authorized levels and ensure that necessary corrective actions are taken in time.

EI-2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	100
Recycling and/or safe disposal	NA

EI-3. Number of consumer complaints in respect of the following:

Category	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	0	0	0	0
Advertising	0	0	0	0	0	0
Cyber-security	0	0	0	0	0	0
Delivery of essential services	0	0	0	0	0	0
Restrictive Trade Practices	0	0	0	0	0	0
Unfair Trade Practices	0	0	0	0	0	0
Other	0	0	0	0	0	0

EI-4. Details of instances of product recalls on account of safety issues:

Category	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

EI-5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company have a framework/ policy on cyber security and risks related to data privacy. The Link for the same is <https://www.parasdefence.com/investors>

EI-6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. - Not Applicable

EI-7. Provide the following information relating to data breaches

- Number of instances of data breaches along-with impact - None
- Percentage of data breaches involving personally identifiable information of customers - 0%
- Impact, if any, of the data breaches - Not Applicable

Leadership Indicators

LI-1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

All information regarding business of Paras can be accessed through the Company's website: www.parasdefence.com

LI-2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The company has established effective systems to ensure that customers consistently have access to comprehensive information about our products and services. Regular communication with customers is done by our technical team and various training programs are conducted to educate on safe and efficient use of products. Detailed information regarding products has been given on the website of the Company: www.parasdefence.com.

LI-3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not Applicable owing to the nature of business.

LI-4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, the company diligently adheres to all applicable regulations concerning product information and labeling. Safety instructions are provided with all critical products, clearly outlining the proper handling procedures, including the Do's and Don'ts. Regular interactions with customers are maintained to ensure satisfaction and gather feedback on products and services. Based on the suggestions received, the company takes proactive steps to enhance its services and meet customer expectations.

Standalone Financial Statements

Independent Auditor's Report

**TO THE MEMBERS OF
PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2024, the Statement of Standalone Profit and Loss (including Other Comprehensive Income), the Statement of Standalone Changes in Equity and the Statement of Standalone Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit including Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements 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 Standalone 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, 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 on the Standalone Financial Statements.

Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to that matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Key Audit Matter	How our audit addressed the key audit matter
<p>1) Revenue:</p> <p>During the year, the Company's revenue from operation has been increased by 8.47%. Revenue is recognized when control of the underlying products have been transferred along with satisfaction of performance obligation. The terms of sales arrangements, including the timing of transfer of control and delivery specifications, create complexity and judgment in determining sales revenues.</p> <p>Significant Risk exists that revenue is recognized without substantial transfer of control and is not in accordance with IND AS115 'Revenue from contracts with customers,' resulting into recognition of revenue in incorrect period.</p> <p>Refer Note No.1.3(J) and Note No.27 to the Standalone Financial Statements.</p>	<p>We assessed the Company's processes and controls for recognizing revenue as part of our audit. Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessing the systems related to invoicing and measurement as well as other relevant systems supporting the accounting of revenue. Performed sample tests of individual sales transaction and traced to sales invoices, sales orders, shipping documents and other related documents. In respect of the samples selected, tested that the revenue has been recognized as per the sales orders; Verifying the completeness of disclosure in the Standalone Financial Statements as per Ind AS 115.

Key Audit Matter	How our audit addressed the key audit matter
<p>2) Inventories</p> <p>As of March 31, 2024, inventories appear in the Standalone Financial Statements for an amount of ₹ 14,081.29 Lakhs constitutes 23.16% of the total assets of the Company. Inventories are valued at the lower of cost and net realizable value</p> <p>The Company may recognize an inventory allowance if inventory items are damaged, if the selling price has declined, or if the estimated costs to completion or to be incurred to make the sale have increased.</p> <p>We considered this matter as key audit matter due to the:</p> <ul style="list-style-type: none"> • Significance of the inventories balance. • Complexities involve in determining quality of inventories and quantities on hand due to the number, weight, diversity of inventory, storage, Valuation procedure including of obsolete inventories. <p>Refer note no. 1.3 (F) and 9 to the Standalone Financial Statements.</p>	<p>Our audit procedure included, among others:</p> <ul style="list-style-type: none"> • Reviewing the Company’s process and procedure for physical verification of the Inventories, identification of non-moving and obsolete items and accounting for the same. • Obtaining the physical inventory count reports of the Management as per verification plan and discussing with the Management about the Control checks performed by them • Assessing the methods used to value inventories and ensuring the consistency of accounting methods. • Testing, by sampling, the effectiveness of the controls set up by Management to prevent or detect possible errors in valuation of inventories. • Analyzing the company’s assessment of net realizable value and calculations for stock obsolescence. • Verifying the completeness of disclosure in the Standalone Financial Statements as per Ind AS 2. • Obtaining representation letter from the management as per SA 580 (revised) – Written representations.

Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the management discussion & analysis and director’s report included in the annual report but does not include the Standalone Financial Statements and our auditor’s report thereon. The above information is expected to be made available to us after the date of this auditor’s report.

Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the above other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Management responsibilities for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the Statement of changes in equity of the Company in accordance with the Ind AS and the other accounting principles generally accepted in India.

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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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.

Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditors’ Responsibility for the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, 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 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 Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year 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

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 Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Standalone Balance Sheet, the Statement of Standalone Profit and Loss (Including other comprehensive income), the Statement of Standalone Changes in Equity and the Statement of Standalone Cash Flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS prescribed under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 Standalone Financial Statements 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 / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and as represented by the management:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements as referred to in Note No. 35 to the Standalone Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) Management has represented to us that, to the best of its knowledge and belief, as disclosed in the notes to the Standalone Financial Statements, during the year 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 persons or entities, 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;
 - (b) Management has represented to us that, to the best of its knowledge and belief, as disclosed in the notes to the Standalone Financial Statements, during the year 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
 - (c) Based on our audit procedure conducted that have been considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) above, contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year and has also not proposed dividend for 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 31st March, 2024, 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. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
 - vii. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

For **CHATURVEDI & SHAH LLP**
Chartered Accountants
Firm Reg. No. 101720W / W100355

Rupesh Shah
Partner

Membership No. 117964
UDIN No.: 24117964BKFYDF8131

Navi Mumbai
Date: May 25, 2024

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED on the Standalone Financial Statements for the year ended March 31, 2024)

- i. In respect of its Property, Plant and Equipment and Intangible Assets:
- (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment on the basis of available information.
 - (B) The Company has maintained proper records showing full particulars of intangible assets on the basis of available information.
- b. As explained to us, the Company has physically verified certain property, plant and equipment, in accordance with a phased program of verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification as compared with the available records.
- c. According to the information and explanations provided to us and the records examined by us and based on the examination of the registered sale deed/ conveyance deed (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), we report that, the title deeds, comprising the immovable properties of land and buildings which are freehold, are held in the name of the Company, as at the balance sheet date.
- d. According to information and explanations given to us and books of account and records produced before us, Company has not revalued its Property, Plant and Equipment or Intangible Assets or both during the year.
- e. According to information and explanations and representation made by the management, 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. As explained to us and on the basis of the records produced before us, in our opinion, physical verification of the inventories, except for inventories with job workers for which confirmation have been received from such job worker, have been conducted at reasonable intervals by the management and having regard to the size and nature of business of the Company and nature of its inventory, the coverage and procedures of such verification by the management is appropriate. As explained to us and on the basis of the records produced before us, the value of the discrepancies noticed on physical verification by management did not exceed 10% or more in aggregate of each class of inventory.
- b. As per the information and explanations given to us and examination of books of account and other records produced before us, in our opinion quarterly returns or statements filed by the Company with the banks pursuant to terms of sanction letters for working capital limits secured by current assets are in agreement with the books of account of the Company.
- iii. With respect to investments made in or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the year by the Company to Companies, Firms, Limited Liability Partnerships or any other parties:
- As per the information and explanations given to us and books of account and records produced before us, during the year Company has not provided any or security or has not granted any advances in the nature of loans to Companies, Firms, Limited Liability Partnerships or any other entities. However, the details of Loans granted and guarantees provided are as under:

(₹ In Lakhs)		
Particulars	Loans	Guarantee
Aggregate amount guarantee granted during the year		
- Subsidiaries	2,039.00	3,258.00
- Other Related Party	855.00	
- Employees	21.45	
- Others	215.00	
Balance outstanding as at balance sheet date in respect of above cases including given in earlier years		
- Subsidiaries	1,978.00	3,258.00
- Other Related Party	280.00	
- Employees	19.12	
- Others	100.00	

- In our opinion and according to information and explanations given to us and on the basis of our audit procedures, during the year, the investments made and the terms and conditions of all loans are, *prima facie*, not prejudicial to the Company’s interest.
- According to the books of account and other records examined by us, in respect of loans granted by the Company where the schedule of repayment of principal

and payment of interest has been stipulated, the repayments or receipts are generally regular.

- d. According to the books of account and other records examined by us, in respect of the loans, there is no amount overdue for more than ninety days.
- e. In our opinion and according to the information and explanations given to us and the books of account and other records examined by us, loans granted which have fallen due during the year have not been renewed or extended and no fresh loans have been granted to settle the over dues of existing loans given to the same parties except for the following where there was rollover of loans:

Particulars	Category	Amount (₹ In Lakhs)
Ayatti Innovative Private Limited	Subsidiary Company	93.00
FFS Industries Limited	Other	100.00
Total		193.00

- f. In our opinion and according to the information and explanations given to us and other records examined by us, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment.

- iv. In our opinion and according to the information and explanations provided to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, in respect of

making investments, granting loans or guarantees or providing securities, as applicable.

- v. According to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the provisions of clause (v) of the paragraph 3 of the Order are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148 (1) of the Act, as applicable and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of statutory dues:

- a. The Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at March 31, 2024 for a period of more than six months from the date they became payable.

- b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the Statutes	Nature of the Dues	Period to which it relates	Amounts (₹ in Lakhs)	Forum where the dispute is pending
Goods and Services Tax	Goods and Services Tax Act, 2017	2017-19	15.16	Deputy Commissioner
Income Tax	The Income Tax Act, 1961	2007-08, 2009-10 to 2015-16, 2019-20	86.44	Commissioner / CPC
Total			101.60	

- viii. According to the information and explanations given to us and representation made to us by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- ix. a. In our opinion and according to the information and explanation given to us and books of account and other records examined by us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.

- b. In our opinion, and according to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c. In our opinion, and according to the information and explanations given to us and other records examined by us, during the year the Company has not taken any term loan and no term loan was outstanding at the beginning of the year. Therefore, provisions of clause (ix)(c) of paragraph 3 of the Order are not applicable to the Company.

- d. According to the information and explanations given to us, and based the procedures performed by us, and on an overall examination of the Standalone Financial Statements of the Company, we report that, *prima facie*, no funds raised on short-term basis have 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 subsidiaries or associate Company.
- f. According to the information and explanations given to us and procedures performed by us, during the year, the Company has not raised any loan on the pledge of securities held in its subsidiaries or associate Company. Therefore, provisions of clause (ix)(f) of paragraph 3 of the Order are not applicable to the Company.
- x. a. According to the information and explanations given to us, during the year the Company has not raised any money by way of initial public offer or further public offer; however, the Company had raised ₹ 17,077.85 Lakhs through Initial Public Offer (IPO) in the Financial Year 2021-22. As on March 31, 2024, the Company has utilized ₹ 17,077.85 Lakhs for the purpose for which it has been raised and as on March 31, 2024 there was no unspent amount.
- b. According to the information and explanations given to us, during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible); Therefore, the provisions of clause (x) (b) of paragraph 3 of the Order are not applicable to the Company.
- xi. a. Based on our audit procedures performed for the purpose of reporting the true and fair view of the Standalone Financial Statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- b. According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. In our opinion, Company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the Standalone Financial Statements etc., as required by the applicable accounting standards.
- xiv. a. In our opinion, and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.
- xvi. a. In our opinion and according to the information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- b. In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.
- c. In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d. In our opinion, and according to the information and explanations provided to us, the Group does not have any Core Investment Company (CIC).
- xvii. In our opinion, and according to the information and explanations provided to us, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of paragraph 3 of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, 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 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. With respect to CSR contribution under section 135 of the Act:
- a. According to the information and explanations given to us and on the basis of our audit procedures, in respect of other than ongoing projects, there were no unspent amount that were required to be transferred to a Fund specified in Schedule VII in compliance with second proviso to sub-section (5) of section 135 of the Act.

Out of the contribution given to charitable trusts aggregate of ₹ 51.15 Lakhs remained unspent as at March 31, 2024, in respect of which the trusts/management has confirmed that the same will be utilized towards its objects within a period of next six months.

- b. According to the information and explanations given to us, the Company does not have any ongoing projects. Therefore, the provisions of clause (xx) (b) of paragraph 3 of the Order are not applicable to the Company.

For **CHATURVEDI & SHAH LLP**
Chartered Accountants
Firm Reg. No. 101720W / W100355

Rupesh Shah

Partner

Navi Mumbai

Date: May 25, 2024

Membership No. 117964

UDIN No.: 24117964BKFYDF8131

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED on the Standalone Financial Statements for the year ended March 31, 2024)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to Standalone Financial Statements of **PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED** (‘the Company’) as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls with reference to the Standalone Financial Statements based on the internal control 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 (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 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards of 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 adequate internal financial controls with reference to Standalone 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 controls system

with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone 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 Standalone 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 with reference to Standalone Financial Statements.

Meaning of Internal Financial Control with reference to Standalone Financial Statements

A Company’s internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control with reference to Standalone Financial Statements 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 Standalone 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 Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone 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 Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were

operating effectively as at March 31, 2024, based on the criteria for internal financial control established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls issued by the ICAI.

For **CHATURVEDI & SHAH LLP**

Chartered Accountants
Firm Reg. No. 101720W / W100355

Rupesh Shah

Partner

Navi Mumbai

Date: May 25, 2024

Membership No. 117964
UDIN No.: 24117964BKFYDF8131



Standalone Balance Sheet

as at March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2024		As at March 31, 2023	
I. ASSETS					
1) Non Current Assets					
(a) Property, Plant and Equipment	2	15,633.39		14,035.87	
(b) Capital Work in Progress	2	444.37		380.66	
(c) Investment Property	3	1,611.08		1,697.22	
(d) Intangible Assets	4	87.87		82.34	
(e) Financial Assets					
i) Investments	5	3,062.28		1,923.53	
ii) Loans	6	96.39		1.59	
iii) Other Financial Assets	7	1,417.05		1,171.88	
(f) Other Non Current Assets	8	607.64	22,960.07	745.62	20,038.71
2) Current Assets					
(a) Inventories	9	14,081.29		9,149.35	
(b) Financial Assets					
i) Trade Receivables	10	18,012.74		14,477.65	
ii) Cash and Cash Equivalents	11	146.76		1,559.04	
iii) Bank Balances other than (ii) above	12	723.10		2,152.26	
iv) Loans	13	2,280.73		1,234.61	
v) Other Financial Assets	14	208.14		49.45	
(c) Other Current Assets	15	2,377.98	37,830.74	1,658.34	30,280.70
TOTAL ASSETS			60,790.81		50,319.41
II. EQUITY AND LIABILITIES					
EQUITY					
(a) Equity Share Capital	16	3,900.00		3,900.00	
(b) Other Equity	17	40,764.84	44,664.84	37,413.00	41,313.00
LIABILITIES					
1) Non Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	18	27.54		-	
(ia) Lease Liabilities	19	85.13		-	
(b) Provisions	20	301.58		200.41	
(c) Deferred Tax Liabilities (Net)	21	2,040.04	2,454.29	2,117.06	2,317.47
2) Current Liabilities					
(a) Financial Liabilities					
i) Borrowings	22	3,361.26		-	
(ia) Lease Liability	19	34.48		-	
ii) Trade Payables	23				
(A) Total Outstanding dues of Micro enterprises and small enterprises		933.73		286.75	
(B) Total Outstanding dues of creditors other than Micro enterprises and small enterprises		4,868.55		2,186.88	
iii) Other Financial Liabilities	24	519.26		429.58	
(b) Other Current Liabilities	25	3,096.36		2,981.68	
(c) Provisions	26	15.00		25.00	
(d) Current Tax Liabilities (Net)		843.04	13,671.68	779.05	6,688.94
TOTAL EQUITY AND LIABILITIES			60,790.81		50,319.41
Material Accounting Policies	1				
Notes to the Standalone Financial Statements	2 to 47				

As per our report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

(Firm Registration No. 101720W/W100355)

RUPESH SHAH

Partner

Membership No. 117964

Date: May 25, 2024

For and on behalf of the Board of Directors

MUNJAL SHAH

Managing Director

DIN: 01080863

HARSH BHANSALI

Chief Financial Officer

SHARAD SHAH

Chairman and Director

DIN: 00622001

JAJVALYA RAGHAVAN

Company Secretary

Membership No: F11942

Statement of Standalone Profit and Loss

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
1 Revenue From Operations	27	23,243.45	21,427.96
2 Other Income	28	934.00	833.30
3 Total Income (1+2)		24,177.45	22,261.26
4 Expenses			
Cost of Materials Consumed		11,318.28	9,673.51
Purchase of Stock in Trade		2,032.63	1,697.19
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	29	(2,557.22)	(1,029.89)
Employee Benefits Expense	30	2,728.04	2,040.59
Finance Costs	31	384.58	621.03
Depreciation and Amortisation Expense	32	1,216.20	1,067.68
Other Expenses	33	4,592.66	3,518.46
Total Expenses		19,715.17	17,588.57
5 Profit Before Exceptional Items and Tax (3-4)		4,462.28	4,672.69
6 Exceptional Items		-	-
7 Profit Before Tax (5-6)		4,462.28	4,672.69
8 Tax Expenses :			
Current Tax		1,250.58	1,173.48
Deferred Tax	21	(100.21)	(28.87)
Income Tax for Earlier Years		(111.59)	(64.74)
		1,038.78	1,079.87
9 Profit for the Year (7-8)		3,423.50	3,592.82
10 Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement Loss on Defined Benefit Plans		48.47	8.13
Tax Effect on above		(12.20)	(2.05)
(ii) Items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income (Net of Tax)		36.27	6.08
Total Comprehensive Income for the Year (9-10)		3,387.23	3,586.74
11 Earnings per Equity Share of ₹ 10/- each	34		
Basic (₹)		8.77	9.21
Diluted (₹)		8.77	9.21
Material Accounting Policies	1		
Notes to the Standalone Financial Statements	2 to 47		

As per our report of even date

For Chaturvedi & Shah LLP

Chartered Accountants
(Firm Registration No. 101720W/W100355)

RUPESH SHAH

Partner
Membership No. 117964

Date: May 25, 2024

For and on behalf of the Board of Directors

MUNJAL SHAH

Managing Director
DIN: 01080863

HARSH BHANSALI

Chief Financial Officer

SHARAD SHAH

Chairman and Director
DIN: 00622001

JAJVALYA RAGHAVAN

Company Secretary
Membership No: F11942



Statement of Standalone Changes in Equity

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Balance as at April 01, 2022	Changes during the Year	Balance as at March 31, 2023	Changes during the year	Balance as at March 31, 2024
Equity Share Capital	3,900.00	-	3,900.00	-	3,900.00

B. OTHER EQUITY

Particulars	Reserves and Surplus				Revaluation Reserve	Item of Other Comprehensive Income Remeasurements of Defined Benefit Plans	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings			
Balance as at April 01, 2022	(808.36)	17,835.17	11.92	12,595.21	4,183.09	44.62	33,861.65
Reversal of deferred tax (IPO related Expenses)	-	(35.39)	-	-	-	-	(35.39)
Total Comprehensive Income for the year	-	-	-	3,592.82	-	(6.08)	3,586.74
Balance as at March 31, 2023	(808.36)	17,799.78	11.92	16,188.03	4,183.09	38.54	37,413.00
Balance as at April 01, 2023	(808.36)	17,799.78	11.92	16,188.03	4,183.09	38.54	37,413.00
Reversal of deferred tax (IPO related Expenses)	-	(35.39)	-	-	-	-	(35.39)
Total Comprehensive Income for the year	-	-	-	3,423.50	-	(36.27)	3,387.23
Balance as at March 31, 2024	(808.36)	17,764.39	11.92	19,611.53	4,183.09	2.27	40,764.84

As per our report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

(Firm Registration No. 101720W/W100355)

RUPESH SHAH

Partner

Membership No. 117964

Date: May 25, 2024

For and on behalf of the Board of Directors

MUNJAL SHAH

Managing Director

DIN: 01080863

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Chairman and Director

DIN: 00622001

JAJVALYA RAGHAVAN

Company Secretary

Membership No: F11942

Statement of Standalone Cash Flow

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	For the Year ended March 31, 2024		For the Year ended March 31, 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax as per the Statement of Profit and Loss		4,462.28		4,672.69
ADJUSTED FOR :				
Depreciation and Amortisation Expense	1,216.20		1,067.68	
Interest Income	(374.18)		(288.42)	
Dividend Income	(0.35)		(0.70)	
Finance Costs	384.58		621.03	
(Profit)/Loss on sale of Property, Plant and Equipment (Net)	(1.21)		6.31	
Bad Debts / Advances written off (Net)	145.70		87.98	
Provision for Expected Credit Loss	522.45		163.58	
Reversal for Credit Impaired	(30.85)		(10.35)	
Provision for Doubtful Advances	7.80		-	
Gain on Financial Instruments measured at fair value through profit or loss	(475.46)		(442.30)	
Unrealised Loss/(Gain) on Foreign Currency Transactions (net)	11.60	1,406.28	(3.01)	1,201.80
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		5,868.56		5,874.49
ADJUSTMENTS FOR :				
Trade and Other Receivables	(5,044.54)		(1,444.24)	
Inventories	(4,931.94)		(2,508.39)	
Trade and Other Payables	3,532.63	(6,443.85)	3,968.44	15.81
CASH (USED IN) / GENERATED FROM OPERATIONS		(575.29)		5,890.30
Direct Taxes Paid (Including Interest)		(1,146.16)		(942.70)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES		(1,721.45)		4,947.60
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment, Intangible assets, Capital Work-in-Progress		(2,476.94)		(2,318.72)
Sale of Property, Plant and Equipment and Asset held for sale		18.82		155.15
Investment in Subsidiary Companies		(72.00)		(699.20)
Investment in Associate Company		(0.30)		(47.50)
Purchase of Non - Current Investment		(890.99)		(521.00)
Sale of Optionally Convertible Preference Shares		300.00		201.00
Inter Corporate Deposits given to Subsidiary Companies		(2,039.00)		(120.00)
Inter Corporate Deposits repaid by Subsidiary Companies		181.00		-
Inter- Corporate Deposit given to Others		(1,070.00)		(1,100.00)
Inter- Corporate Deposits Repaid by Others		1,790.00		-
Interest Income		309.14		378.43
Dividend Income		0.35		0.70
Temporary deposits/Balances of IPO Proceeds/Utilised		1,953.63		5,025.20
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES		(1,996.29)		954.06



Statement of Standalone Cash Flow

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Non Current Borrowings (Term Loans)	35.64	-
Repayment of Non Current Borrowings	(3.12)	-
Current Borrowings (Net)	3,356.28	(2,912.63)
Payment related to Initial Public Offering	-	(39.53)
Finance Costs	(313.34)	(544.60)
Margin Money (Net)	(769.64)	(1,011.41)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	2,305.82	(4,508.17)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(1,411.92)	1,393.49
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,559.04	165.54
Effect of Exchange rate on Cash and Cash Equivalents	(0.36)	0.01
CASH AND CASH EQUIVALENTS AT END OF YEAR (Refer Note No. 11.1)	146.76	1,559.04

Changes in Liabilities arising from financing activities on account of Non-Current and Current Borrowings

Particulars	March 31, 2024	March 31, 2023
OPENING BALANCE OF LIABILITIES ARISING FROM FINANCING ACTIVITIES	-	2,912.63
Add : Changes from Cash Flow from Financing Activities (Net)	3,388.80	(2,912.63)
CLOSING BALANCE OF LIABILITIES ARISING FROM FINANCING ACTIVITIES	3,388.80	-

- (i) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".
- (ii) Figures in brackets indicate Outflows.
- (iii) Previous Year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

As per our report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

(Firm Registration No. 101720W/W100355)

RUPESH SHAH

Partner

Membership No. 117964

Date: May 25, 2024

For and on behalf of the Board of Directors

MUNJAL SHAH

Managing Director

DIN: 01080863

HARSH BHANSALI

Chief Financial Officer

SHARAD SHAH

Chairman and Director

DIN: 00622001

JAJVALYA RAGHAVAN

Company Secretary

Membership No: F11942

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

1.1 Corporate Information

Paras Defence and Space Technologies Limited (the 'Company') is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Company is situated at D-112, TTC industrial area, Nerul, Navi Mumbai- 400706. The company is involved in design, development, manufacturing, testing & commissioning of products, systems and solutions for Defence & Space Applications. The shares of the company are publicly traded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in India.

The Standalone Financial Statements of the Company for the year ended March 31, 2024 were approved and adopted by board of directors in their meeting held on May 25, 2024.

1.2 Basis of preparation

The Standalone Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, as amended from time to time.

The Standalone Financial Statements have been prepared and presented on going concern basis and historical cost basis, except for the following assets and liabilities, which have been measured as indicated below:

- Certain Financial assets and liabilities at fair value (refer accounting policy regarding financial instruments).
- Employee's Defined Benefit Plans measured per actuarial valuation.

These Standalone Financial Statements are presented in Indian Rupees, which is the company's functional and presentation currency and all values are rounded to the nearest lakhs, except when otherwise indicated.

1.3 Material Accounting policies

(A) Property, Plant and Equipment :

Property, plant and equipment are carried at its cost, net of recoverable taxes, trade discounts and rebate less accumulated depreciation and impairment losses, if any. Cost includes purchase price, borrowing cost, non refundable taxes or levies and directly attributable cost of bringing the asset to its working condition for its intended use. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with

the item will flow to the entity and the cost can be measured reliably. In case of Property, Plant and Equipment, the Company has availed the fair value as deemed cost on the date of transition i.e. April 01, 2016.

Property, Plant and Equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital Work-in-Progress" and expenses incurred relating to it, net of income earned during the development stage, are disclosed as pre-operative expenses under "Capital Work-in-Progress".

Property, Plant and Equipment are eliminated from Standalone Financial Statements, either on disposal or when retired from active use. Gains / losses arising in the case of retirement/disposal of Property, Plant and Equipment are recognised in the statement of profit and loss in the year of occurrence.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation:

Depreciation on property, plant and equipment is provided on straight line method for the year for which the assets have been used as under:

- (a) Depreciation on assets is provided over the useful life of assets as prescribed under schedule II of Companies Act, 2013 except Mobile phones where 3 years have been taken
- (b) Leasehold land is amortised over the period of lease.

The asset's residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

(B) Intangible Assets and Amortisation:

Intangible Assets are stated at cost, net of accumulated amortization and impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gain or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. In case of Intangible Assets, the Company has availed the fair value as deemed cost on the date of transition i.e. April 01, 2016. The period of amortisation is as under :

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Asset	Period of amortisation
Computer Software	6 Years
Technical Know how	6 Years

(C) Investment Property:

Investment property is held for long term rental income and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs and net of recoverable taxes, trade discounts and rebates. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation on investment properties is provided using straight line method over the estimated useful lives as specified in Schedule II to the Companies Act, 2013. Residual values, useful lives and method of depreciation of investment properties are reviewed at each financial year end and are adjusted prospectively, if appropriate. The effects of any revision are included in the statement of profit and loss when the changes arises.

Though the Company measures investment properties using cost based measurement, the fair value of investment property is disclosed in the notes.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of de-recognition.

(D) Impairment of Non-Financial Assets - Property, Plant and Equipment & Intangible Assets:

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

(E) Taxes on Income:

Tax expense represents the sum of current tax (including income tax for earlier years) and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

(F) Inventories:

Inventories are measured at lower of cost and net realisable value (NRV) after providing for obsolescence, if any. NRV is the estimate selling price in the ordinary course of business, less estimated costs of completion and estimate cost necessary to make the sale. Cost of Inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw materials, stores & spares, packing materials are determined on weighted average basis. The Cost of Work in Progress and Finished Goods is determined on absorption costing methods.

(G) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets -Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost. Purchase and sale of financial assets are recognized using trade date accounting. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Financial assets - Subsequent measurement

For the purpose of subsequent measurement financial assets are classified in two broad categories:-

- a) Financial assets at fair value
- b) Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit and loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- a) Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.
- b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- a) Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.
- b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit or loss.

Financial assets - Derecognition

A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flow from the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Financial Liabilities - Initial recognition and measurement:

The financial Liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial Liabilities - Subsequent measurement:

Financial Liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial Liabilities - Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

Financial liability - Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(H) Fair Value:

The Company measures financial instruments at fair value at each Balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the Standalone Financial Statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the Standalone Financial Statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

(I) Investment in Subsidiaries and Associates:

The Company has elected to recognize its investments in subsidiaries and associate at cost in accordance with

the option available in Ind AS 27, 'Separate Standalone Financial Statements'.

(J) Revenue Recognition and Other Income:

Sales of goods and services:

The Company derives revenues primarily from sale of products comprising of Defence & Space Applications

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Contract Balances - Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Other Income:

Incentives on exports and other Government incentives related to operations are recognised in the statement of profit and loss after due consideration of certainty of utilization/receipt of such incentives.

Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend Income:

Dividend Income is recognised when the right to receive the payment is established.

Rental income:

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included as other income in the statement of profit or loss.

(K) Foreign currency transactions and translation:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

In case of an asset, expense or income where a monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

(L) Employee Benefits:

Short term employee benefits are recognized as an expense in the statement of profit and loss of the year in which the related services are rendered. Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

The cost of providing gratuity, a defined benefit plans, is determined based on Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

Remeasurements of defined benefit plan in respect of post employment and other long term benefits are charged to the other comprehensive income in the year in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

(M) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

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 a present obligation 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. Information on contingent liability is disclosed in the Notes to the Standalone Financial Statements. Contingent assets are not recognised in financial statement. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

(N) Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

1.4 Key accounting estimates and judgements

The preparation of the Company's Standalone Financial Statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Depreciation/amortisation and useful lives of property plant and equipment/intangible assets:

Property, plant and equipment/intangible assets are depreciated/amortised over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortisation for future periods is revised if there are significant changes from previous estimates.

b) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

c) Defined benefit obligation:

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, expected rate of return on assets and mortality rates. Due to

the long term nature of these plans, such estimates are subject to significant uncertainty.

d) Income Tax:

Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the Standalone Financial Statements. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the unused tax losses or tax credits can be utilised. This involves an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets. This requires assumptions regarding future profitability, which is inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets and consequential impact in the statement of profit and loss.

e) Recoverability of trade receivables:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

f) Impairment of Non-Financial Assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Application of above amended standards are not expected to have any significant impact on the Company's Standalone Financial Statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 2 Property, Plant and Equipment

Particulars	Leasehold-Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Right of Use Assets (Building)	Total
Balance as at April 01, 2022	5,415.59	2,262.63	8,571.89	413.97	398.51	261.18	117.80	-	17,441.57
Additions for the year	-	284.43	959.10	124.90	-	103.94	26.71	-	1,499.08
Disposals / Adjustment	-	-	-	-	10.85	32.31	10.51	-	53.67
Balance as at March 31, 2023	5,415.59	2,547.06	9,530.99	538.87	387.66	332.81	134.00	-	18,886.98
Additions for the year	-	76.90	2,247.38	85.39	40.12	78.09	47.79	126.84	2,702.51
Disposals / Adjustment	-	-	-	7.50	5.98	2.75	12.87	-	29.10
Balance as at March 31, 2024	5,415.59	2,623.96	11,778.37	616.76	421.80	408.15	168.92	126.84	21,560.39
Depreciation									
Balance as at April 01, 2022	439.29	382.25	2,605.66	115.41	250.05	115.23	62.64	-	3,970.53
Depreciation for the Year	81.17	100.76	601.58	34.07	40.35	41.28	24.58	-	923.79
Disposals / Adjustment	-	-	-	-	6.85	27.49	8.87	-	43.21
Balance as at March 31, 2023	520.46	483.01	3,207.24	149.48	283.55	129.02	78.35	-	4,851.11
Depreciation for the Year	81.17	106.77	702.91	54.21	36.53	61.84	35.15	8.80	1,087.38
Disposals / Adjustment	-	-	-	0.71	5.41	2.06	3.31	-	11.49
Balance as at March 31, 2024	601.63	589.78	3,910.15	202.98	314.67	188.80	110.19	8.80	5,927.00
Net Carrying Value									
Balance as at March 31, 2023	4,895.13	2,064.05	6,323.75	389.39	104.11	203.79	55.65	-	14,035.87
Balance as at March 31, 2024	4,813.96	2,034.18	7,868.22	413.78	107.13	219.35	58.73	118.04	15,633.39

2.1 Property, Plant and Equipment include assets pledged / hypothecation as security (Refer note no. 18 and 22).

2.2 Vehicles having carrying value of ₹ 55.29 lakhs (March 31, 2023 : ₹ 85.69 lakhs), are registered in the name of the Directors or erstwhile Directors of the Company or of entities that have since been amalgamated with the Company in pursuance to the scheme of amalgamation.

2.3 Refer Note No. 35 (B) for contractual commitments for the acquisition of Property, Plant and Equipment.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 2 Property, Plant and Equipment (Contd..)

2.4 Capital Work in Progress includes

Particulars	As at March 31, 2024	As at March 31, 2023
Building under Construction	52.58	9.38
Plant and Machinery	334.81	371.28
Others	56.98	-
TOTAL	444.37	380.66

2.5 Capital Work In Progress ageing schedule as at March 31, 2024 is as follows:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	397.09	-	47.28	-	444.37
Project temporarily suspended	-	-	-	-	-
TOTAL	397.09	-	47.28	-	444.37

Capital Work In Progress ageing schedule as at March 31, 2023 is as follows:

Particulars	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
Project in progress	333.38	47.28	-	-	380.66
Project temporarily suspended	-	-	-	-	-
TOTAL	333.38	47.28	-	-	380.66

2.6 The Company does not have any Capital work in progress, whose completion is overdue or exceeded its cost compared to its original plan.

2.7 Building includes cost of shares in Co-operative society of ₹ 750 (March 31, 2023 ₹ 750).

2.8 In accordance with the Indian Accounting Standards -36 on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Ind AS. On the basis of the review carried out by the management, there was no impairment loss on Property, Plant and Equipment during the year ended March 31, 2024.

Note: 3 Investment property

Particulars	Land	Buildings	Total
Costs:			
As at April 01, 2022	377.82	1,835.34	2,213.16
Additions for the year	-	-	-
As at March 31, 2023	377.82	1,835.34	2,213.16
Additions for the year	-	-	-
As at March 31, 2024	377.82	1,835.34	2,213.16
Depreciation			
As at April 01, 2022	-	429.96	429.96
Depreciation for the year	-	85.98	85.98
As at March 31, 2023	-	515.94	515.94
Depreciation for the year	-	86.14	86.14
As at March 31, 2024	-	602.08	602.08
Net Carrying Value			
Balance as at March 31, 2023	377.82	1,319.40	1,697.22
Balance as at March 31, 2024	377.82	1,233.26	1,611.08

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 3 Investment property (Contd..)

3.1 The Company's Investment Properties as at March 31, 2024 consist of Land and Building

3.2 Loss from Investment Properties generating Rental Income

Particulars	As at March 31, 2024	As at March 31, 2023
Rental Income derived from investment properties	7.50	40.00
Direct Expenses	-	-
Income arising from investment properties before depreciation	7.50	40.00
Depreciation	(86.14)	(85.98)
Loss from Investment properties (Net)	(78.64)	(45.98)

3.3 Leasing arrangements

During the year, the company has entered into lease rent agreement on January 15, 2024 with one of its subsidiary company Mechtech Thermal Private Limited and the future rental income in respect of above lease arrangement are as under:

Particulars	As at March 31, 2024	As at March 31, 2023
Within one year	25.50	-
Total	25.50	-

3.4 The Fair Values of the properties are ₹ 2,898.00 Lakhs (March 31, 2023: ₹ 2,730.00 Lakhs). This valuation is based on the valuations performed by an Registered Valuer. The main inputs used are the rental growth rates and a study of the micro market in discussion with industry experts or local brokers. The fair value measurement for the investment property has been categorized as a level 3 fair value based on the inputs to the valuation techniques used.

3.5 The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties for repairs, maintenance and enhancement.

Note: 4 Intangible Assets

Particulars	Computer Software*	Process Technology / Technical know- How*	TOTAL
Balance as at April 01, 2022	25.60	309.14	334.74
Additions for the year	43.44	-	43.44
Balance as at March 31, 2023	69.04	309.14	378.18
Additions for the year	48.21	-	48.21
Balance as at March 31, 2024	117.25	309.14	426.39
Amortisation			
Balance as at April 01, 2022	10.84	227.09	237.93
Amortisation charge for the Year	6.39	51.52	57.91
Balance as at March 31, 2023	17.23	278.61	295.84
Amortisation charge for the Year	14.62	28.06	42.68
Balance as at March 31, 2024	31.85	306.67	338.52
Net Carrying Amount			
Balance as at March 31, 2023	51.81	30.53	82.34
Balance as at March 31, 2024	85.40	2.47	87.87

* Other than self generated

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 5 Non Current Investment

Particulars	Number of Shares		Face Value	As at	As at
	March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023
(Unquoted, Fully Paid Up)					
A. Investment in Equity Instruments					
i) Subsidiary Companies (Carried at Cost)					
Paras Aerospace Private Limited*	6,06,000	6,06,000	10	60.60	60.60
Paras Green UAV Private Limited* (Formerly Known as Paras Green Optics Private Limited)	10,000	10,000	10	1.00	1.00
Paras Anti- Drone Technologies Private Limited*	5,55,500	5,500	10	55.55	0.55
OPEL Technologies PTE Ltd	100	100	SGD 1	0.05	0.05
Ayatti Innovative Private Limited	15,20,000	15,20,000	10	699.20	699.20
Mechtech Thermal Private Limited*	70,000	-	10	7.00	-
Quantico Technologies Private Limited*	1,00,000	-	10	10.00	-
ii) Associate Companies (Carried at Cost)					
Krasny Paras Defence Technologies Private Limited	5,22,500	5,22,500	10	52.25	52.25
Controp Paras Technologies Private Limited	3,000	-	10	0.30	-
iii) Others (Carried at fair value through Profit & Loss)					
NKGSB Co- Operative Bank Limited	2,50,000	2,50,000	10	25.00	25.00
Highlander Aviation Limited	87,953	87,953	NIS 0.01	993.03	784.88
FFS Industries Private Limited	9,90,000	-	10	1,158.30	-
B. Investment in 0.01% Optionally Convertible Preference Shares (Carried at fair value through Profit & Loss)					
FFS Industries Private Limited	-	2,87,838	100.00	-	300.00
Total				3,062.28	1,923.53

* Includes shares held by nominee shareholder of the Company

Particulars	As at March 31, 2024	As at March 31, 2023
Aggregate Amount of Unquoted Investments	3,062.28	1,923.53
Aggregate Amount of Quoted Investments and Market Value	-	-
Investment Carried at fair value through Profit and Loss	2,176.33	1,109.88
Investment Carried at Cost	885.95	813.65

Note: 6 Non-current Financial Assets- Loans

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, Considered Good)		
Intercompany Deposits given to Subsidiary Company (Refer Note No. 6.1 and 36)	93.00	-
Loans to Employees	3.39	1.59
Total	96.39	1.59

6.1 Above Intercompany deposits are given for Working Capital Requirements

Note: 7 Non-current Financial Assets- Others

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed Deposits with Banks held as Margin Money	1,417.05	1,171.88
Total	1,417.05	1,171.88

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 8 Other Non-current Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Advances		
- Considered Good	471.43	659.59
- Considered Doubtful	7.80	-
	479.23	659.59
Less: Provision for Doubtful Advances	7.80	-
	471.43	659.59
Prepaid Expenses	59.93	42.62
Security Deposits	76.28	43.41
Total	607.64	745.62

Note: 9 Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials	5,698.56	3,267.11
Raw Materials In Transit	2.19	48.62
Work-in-Progress	8,111.55	5,558.43
Finished Goods	16.01	12.77
Finished Goods In Transit	0.86	-
Stores, Spares and Consumables	252.12	262.42
Total	14,081.29	9,149.35

9.1 For basis of valuation Refer Accounting Policy Note No. 1.3(F).

9.2 For Inventories hypothecated as security refer Note No 22.

Note: 10 Trade Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured)		
Considered Good	18,882.57	15,215.56
Significant Increase in Credit Risk	568.50	177.97
Credit Impaired	6.97	37.82
	19,458.04	15,431.35
Less: Provision for Expected Credit Loss	1,438.33	915.88
Less: Provision for credit impaired	6.97	37.82
Total	18,012.74	14,477.65

10.1 For Hypothecated as security refer Note no 22.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 10 Trade Receivables (Contd..)

10.2 Trade Receivables Ageing Schedule as at March 31, 2024 and March 31, 2023 are as below :-

As at March 31, 2024

Particulars	Not due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 Months to 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	3,543.91	7,460.95	1,740.97	5,024.96	1,111.78	-	18,882.57
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	1.71	107.46	459.33	568.50
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	6.97	6.97
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Sub Total	3,543.91	7,460.95	1,740.97	5,026.67	1,219.24	466.30	19,458.04
Less: Provision for Expected Credit Loss							1,438.33
Less: Provision for Credit Impaired	-	-	-	-	-	6.97	6.97
Total							18,012.74

As at March 31, 2023

Particulars	Not due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 Months to 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	1,541.05	6,730.40	4,885.61	1,602.69	455.81	-	15,215.56
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	1.25	27.68	149.04	177.97
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	37.82	37.82
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Sub Total	1,541.05	6,730.40	4,885.61	1,603.94	483.49	186.86	15,431.35
Less: Provision for Expected Credit Loss							915.88
Less: Provision for Credit Impaired	-	-	-	-	-	37.82	37.82
Total							14,477.65

Note: 11 Cash and Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and Cash Equivalents		
Balances with Banks in Current/ Cash Credit Accounts	138.65	1,545.45
Cash in hand	8.11	8.59
Cheque in Hand	-	5.00
Total	146.76	1,559.04

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 11 Cash and Cash Equivalents (Contd..)

11.1 For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents comprise the following:

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Banks in Current/ Cash Credit Accounts	138.65	1,545.45
Cash on hand	8.11	8.59
Cheque in Hand	-	5.00
Total	146.76	1,559.04

Note: 12 Bank Balances Other Than Cash And Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Bank in Monitoring Agency & Escrow Account	0.16	453.79
Fixed Deposits with Bank*	-	1,500.00
Fixed Deposits with Banks Pledged as Margin Money	722.94	198.47
Total	723.10	2,152.26

*Temporary deposits of IPO Proceeds

Note: 13 Loans

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, Considered Good)		
Intercompany Deposits		
- Subsidiary Companies (Refer Note No. 13.1 and 36)	1,885.00	120.00
- Other Related Party (Refer Note No. 13.1 and 36)	280.00	-
- Others (Refer Note No. 13.1)	100.00	1,100.00
Loans to Employees	15.73	14.61
Total	2,280.73	1,234.61

13.1 Above Intercompany deposits are given for Working Capital Requirements

Note: 14 Other Current Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, Considered Good)		
Interest Receivables [#]	80.67	16.34
Security Deposits	50.34	33.11
Other Receivables*	77.13	-
Total	208.14	49.45

[#] ₹ 68.30 Lakhs receivable from Related Parties (Refer Note No. 36)

* ₹ 46.94 Lakhs receivable from Related Parties (Refer Note No. 36)

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 15 Other Current Assets

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Advances to Suppliers, Considered Good	1,856.11	1,445.75
Balances with Government Authorities	364.74	20.14
Export Incentive Receivables	5.19	10.99
Prepaid Expenses	151.47	180.46
Others *	0.47	1.00
Total	2,377.98	1,658.34

* Others includes Export scripts in hand

Note: 16 Equity Share Capital

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Authorised		
6,05,00,000 (March 31, 2023 : 6,05,00,000) Equity Shares of ₹ 10/- each.	6,050.00	6,050.00
Issued, Subscribed and Paid up		
3,90,00,061 (March 31, 2023 : 3,90,00,061) Equity Shares of ₹ 10/- each fully paid up	3,900.00	3,900.00
Total	3,900.00	3,900.00

16.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning and end of the year	3,90,00,061	3,900.00	3,90,00,061	3,900.00

16.2 The Company had raised ₹ 17,077.85 Lakhs through Initial Public Offer (IPO) in the Financial Year 2021-22. As on March 31, 2024, the Company has utilized ₹ 17,077.85 Lakhs for the purpose for which it has been raised and as on March 31, 2024 there was no unspent amount.

16.3 Details of Shareholder holding more than 5% shares of the Company:

Name of Shareholders	As at March 31, 2024		As at March 31, 2023	
	No of Shares held	Percentage held	No of Shares held	Percentage held
Mr. Munjal Sharad Shah	98,58,137	25.28%	98,58,137	25.28%
Mr. Sharad Virji Shah	72,74,840	18.65%	72,74,840	18.65%

16.4 Details of shares held by promoters and promoter group in the Company.

Name of Shareholders	As at March 31, 2024		As at March 31, 2023		% Change during the year
	No of Shares held	Percentage held	No of Shares held	Percentage held	
Mr. Munjal Sharad Shah	98,58,137	25.28%	98,58,137	25.28%	0.00%
Mr. Sharad Virji Shah	72,74,840	18.65%	72,74,840	18.65%	0.00%
Mrs. Ami Munjal Shah	10,13,008	2.60%	10,13,008	2.60%	0.00%
Mr. Anish Hemant Mehta	14,20,630	3.64%	14,20,630	3.64%	0.00%
Mrs. Kaajal Harsh Bhansali	14,20,630	3.64%	14,20,630	3.64%	0.00%
Ms. Anushka Munjal Shah	10,00,000	2.56%	10,00,000	2.56%	0.00%
Ms. Jiwanshi Munjal Shah	10,00,000	2.56%	10,00,000	2.56%	0.00%
Mrs. Niranjana Sharad Shah	5	0.00%	5	0.00%	0.00%

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 16 Equity Share Capital (Contd..)

16.5 Rights of Equity Shareholders

The Company has only one class of equity shares having a face value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive any of remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.6 There are no shares reserved for issue under options and contracts/commitments

16.7 Dividend paid and proposed of ₹ NIL (March 31, 2023 : ₹ NIL)

Note: 17 Other Equity

Particulars	As at March 31, 2024		As at March 31, 2023	
Capital Reserve				
Balance as per last Balance Sheet		(808.36)		(808.36)
Securities Premium				
Balance as per last Balance Sheet	17,799.78		17,835.17	
Less: Reversal of deferred tax (IPO related Expenses)	(35.39)		(35.39)	
		17,764.39		17,799.78
Revaluation Reserve				
Balance as per last Balance Sheet		4,183.09		4,183.09
General Reserve				
Balance as per last Balance Sheet		11.92		11.92
Retained Earnings				
Balance as per last Balance Sheet	16,188.03		12,595.21	
Add: Profit after tax for the Year	3,423.50		3,592.82	
		19,611.53		16,188.03
Other Comprehensive Income (OCI)				
Balance as per last Balance Sheet	38.54		44.62	
Add: Movement in OCI (Net) during the Year	(36.27)		(6.08)	
		2.27		38.54
Total		40,764.84		37,413.00

Note 17.1 Nature And Purpose Of Reserves

Capital Reserves

The Capital Reserve was created pursuant to the scheme of amalgamation of Mechvac India Limited and Concept Shapers & Electronics Private Limited. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

Securities Premium

Securities Premium was created when shares were issued at premium. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

Revaluation Reserve

Revaluation Reserve was created for revaluation of Land and Building. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

General Reserve

The General Reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.

Retained Earnings

Retained Earnings represent the accumulated Profits / (losses) made by the company over the years.

Other Comprehensive Income

Other Comprehensive Income (OCI) represents the amount recognised in other equity consequent to remeasurement of Defined Benefit Plan.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 18 Non Current Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
Term Loans		
- From Bank	27.54	-
Total	27.54	-

18.1 The above term loan of ₹ 27.54 lakhs (March 31, 2023 : ₹ NIL) and ₹ 4.98 lakhs (March 31, 2023 : ₹ NIL) included in current maturity of long Term Debts in Note No. 22 against lien on respective vehicles and loan payable in 60 to 84 monthly installments and carry interest rate varying from 8.15% p.a to 8.50% p.a.

(i) Maturity profile of Term Loans is as under:

Financial Year	Amount
2024-25	4.98
2025-26	5.41
2026-27	5.88
2027-28	6.38
2028-29	5.24
2029-30	3.93
2030-31	0.70

Note: 19 Lease Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities:		
Non-current	85.13	-
Current	34.48	-
Total	119.61	-

19.1 The balance sheet shows the following amounts relating to leases:

Particulars	As at March 31, 2024	As at March 31, 2023
Right-of-use assets (included in PPE):		
Office Premises	118.04	-
Total	118.04	-

Additions to the Right-of-Use assets during the year ended March 31, 2024 were ₹ 126.84 Lakhs (March 31,2023: ₹ NIL).

19.2 Amounts recognized in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
Depreciation charge of right-of-use assets			
Office Premises	2	8.80	-
Total		8.80	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 19 Lease Liabilities (Contd..)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
Interest expense (included in finance costs)	31	2.72	-
Expense relating to short-term leases (included in other expenses)	33	80.93	-

The cash outflow for the leases for the year ended March 31, 2024 was ₹ NIL (March 31, 2023 : ₹ NIL)

19.3 The following is the movement in lease liabilities during the year :

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	-	-
Addition during the year	116.89	-
Finance cost accrued during the year	2.72	-
Payment of lease liabilities	-	-
Closing Balance	119.61	-

19.4 The following is the contractual maturity profile of lease liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	44.28	-
One year to five years	92.80	-
More than five years	-	-
Closing Balance	137.08	-

19.5 Lease liabilities carry an effective interest rate of 9.25% p.a. The lease terms is for a period 5 years.

Note: 20 Non-Current Provision

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Gratuity (Refer Note No. 30.1)	301.58	200.41
Total	301.58	200.41

Note: 21 Income Tax

21.1 Current Tax

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Current Tax	1,250.58	1,173.48
Income Tax for Earlier Years	(111.59)	(64.74)
Total	1,138.99	1,108.74

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 21 Income Tax (Contd..)

21.2 The major components of Tax Expense for the year ended March 31, 2024 & March 31, 2023 are as follows:

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Recognised in the Standalone Statement of Profit and Loss		
Current Tax (Refer Note No. 21.1)	1,138.99	1,108.74
Deferred Tax:-Relating to origination and reversal of temporary differences	(100.21)	(28.87)
Total	1,038.78	1,079.87

21.3 Reconciliation between Tax Expense and Accounting Profit multiplied by tax rate for the year ended March 31, 2024 & March 31, 2023:

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Accounting Profit Before Tax	4,462.28	4,672.69
Applicable tax rate (in %)	25.17%	25.17%
Computed Tax Expenses	1,123.07	1,176.02
Tax effect on account of:		
Property, Plant and Equipment, Intangible Assets and Assets Held for Sale	29.96	(35.46)
Expenses not allowed under Income Tax Act	35.75	40.90
Deduction allowed under Income Tax Act	(38.41)	(36.85)
Income Tax for Earlier Years	(111.59)	(64.74)
Income tax Expenses recognised in the Standalone Statement of Profit and Loss	1,038.78	1,079.87

21.4 Deferred Tax Liabilities / (Assets) relates to the following :

Particulars	Balance Sheet		Statement of Profit and Loss and Other Equity	
	As at March 31, 2024	As at March 31, 2023	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Property, Plant and Equipment, Intangible Assets, Assets Held for Sale and Investment Property	2,419.28	2,416.36	2.92	(88.12)
Financial Instrument-assets	(122.89)	(116.87)	(6.02)	72.75
Lease Liabilities	(30.10)	-	(30.10)	-
IPO issue expenses	(70.76)	(106.15)	35.39	35.39
Items disallowed as per Income Tax Act, 1961	(155.49)	(76.28)	(79.21)	(15.55)
Deferred Tax Liabilities / (Assets)	2,040.04	2,117.06	(77.02)	4.47

21.5 Reconciliation of Deferred Tax Liabilities (Net):

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance at the beginning of the year	2,117.06	2,112.59
Deferred Tax Income recognised in the Standalone Statement of Profit and Loss	(100.21)	(28.87)
Deferred Tax Income recognised in OCI	(12.20)	(2.05)
Deferred Tax Expenses recognised in Securities Premium	35.39	35.39
Closing Balance at the end of the year	2,040.04	2,117.06

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 22 Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
Working Capital Rupee Loans from Banks	3,356.28	-
Current Maturities of Long Term Borrowings	4.98	-
Total	3,361.26	-

22.1 The working capital loans from banks includes:

- (i) ₹ 1,385.15 lakhs (March 31, 2023: ₹ NIL) secured by way of hypothecation of stocks & book-debts and further secured by collateral mortgage of 1) Plot no. 108 A, survey no. 261, IDA, Cherlapally, Dist. Ranga reddy, Hyderabad-500062. 2) Plot no. D112, TTC Industrial Area, MIDC, Shiravane, Nerul, Navi Mumbai 400076, 3) Penthouse No. 11, 13th & 14th floors, A Wing, Maruti Paradise, Sector No. 15 at CBD Belapur, Navi Mumbai - 400614 owned by Mr Munjal Shah and 4) Plot no. M-6, MIDC, Additional Ambernath Industrial Area, Ambernath-421506, Maharashtra, India. The above loan carries interest rate @ ROI @ PLR i.e 9.75% p.a
- (ii) ₹ 1782.86 lakhs (March 31, 2023: ₹ NIL) secured by Pari Passu Charge on all existing and future current assets and movable fixed assets and Collateral mortgage of 1) Plot no. 108 A, survey no. 261, IDA, Cherlapally, Dist. Ranga reddy, Hyderabad-500062. 2) Plot no. D112, TTC Industrial Area, MIDC, Shiravane, Nerul, Navi Mumbai 400076, 3) Penthouse No. 11, 13th & 14th floors, A Wing, Maruti Paradise, Sector No. 15 at CBD Belapur, Navi Mumbai - 400614 owned by Mr Munjal Shah and 4) Plot no. M-6, MIDC, Additional Ambernath Industrial Area, Ambernath-421506, Maharashtra, India. The above loans carries interest rate @ 3m MCLR+2.4% p.a
- (iii) ₹ 188.27 lakhs (March 31, 2023: ₹ NIL) secured by Pari Passu Charge on all existing and future current assets and movable fixed assets and Collateral Security of 1) Plot no. 108 A, survey no. 261, IDA, Cherlapally, Dist. Ranga reddy, Hyderabad-500062. 2) Plot no. D112, TTC Industrial Area, MIDC, Shiravane, Nerul, Navi Mumbai 400076 and 3) Plot no. M-6, MIDC, Additional Ambernath Industrial Area, Ambernath-421506, Maharashtra, India. The above loan carries interest rate @ Repo Rate Plus spread 2.65 %

22.2 The Working Capital Rupee loans referred to above are guaranteed by Managing Director of the company.

Note: 23 Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Micro, Small and Medium Enterprises	1,018.80	294.94
Others	4,783.48	2,178.69
Total	5,802.28	2,473.63

23.1 Disclosures of the Micro, Small And Medium Enterprises Development Act, 2006

Micro, Small and Medium Enterprises (MSME) under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information as available with the Company and the required disclosures are given below :

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,018.80	294.94
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	11.67	13.76
(iii) The amount of Interest paid, along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of Interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	11.67	13.76
(vi) The amount of Further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 23 Trade Payables (Contd..)

23.2 Trade Payables Ageing Schedules are as follows:

As at March 31, 2024

Particulars	Not due	Outstanding from due date of payment as at March 31, 2024				Total
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	
MSME	704.78	313.24	0.69	0.09	-	1,018.80
Others	1,458.79	3,064.51	175.93	78.47	5.78	4,783.48
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	2,163.57	3,377.75	176.62	78.56	5.78	5,802.28

As at March 31, 2023

Particulars	Not due	Outstanding from due date of payment as at March 31, 2023				Total
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	
MSME	124.90	164.51	4.42	1.11	-	294.94
Others	1,020.47	1,078.49	69.09	7.67	2.97	2,178.69
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	1,145.37	1,243.00	73.51	8.78	2.97	2,473.63

Note: 24 Other Current Financial Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Interest Accrued and due	11.67	13.76
Interest Accrued but not due	63.34	63.89
Creditors for Capital Goods	134.65	104.36
Security Deposit	7.60	6.25
Other Payables *	302.00	241.32
Total	519.26	429.58

* Other Payables mainly includes outstanding liability for expenses and payable to employees.

Note: 25 Other Current Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Advances from Customers	2,975.21	2,934.01
Statutory Liabilities	37.89	47.67
Unearned Revenue	83.26	-
Total	3,096.36	2,981.68

Note: 26 Current Provision

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Gratuity (Refer Note No. 30.1)	15.00	25.00
Total	15.00	25.00

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 27 Revenue From Operations

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Sale of Products	20,689.02	20,591.08
Sale of Services / Job Work Income	2,550.20	669.04
Other Operating revenue	4.23	167.84
Total	23,243.45	21,427.96

27.1 Revenue Disaggregation by type of Products and Services as follows :

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Optics and Optronics Systems	6,939.18	10,550.21
Defence Engineering	16,304.27	10,877.75
Total	23,243.45	21,427.96

27.2 Revenue disaggregation by geography is as follows:

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
India	19,985.18	18,113.00
Outside India	3,258.27	3,314.96
Total	23,243.45	21,427.96

27.3 Contract balances

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Trade Receivables	18,012.74	14,477.65
Contract Liabilities (Refer Note No. 25)	2,975.21	2,934.01
Unearned Revenue (Refer Note No. 25)	83.26	-
Total	21,071.21	17,411.66

27.4 The amount of ₹ 2705.36 lakhs is the revenue recognised from contract liabilities. Increase/(decrease) in contract liability is mainly on account of advance receipt from customers and revenue recognized during the year.

27.5 Reconciliation of Revenue from Operations with Contract Price:

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Contract Price	23,249.83	21,433.95
Reduction towards variable considerations components *	6.38	5.99
Total	23,243.45	21,427.96

*Reduction towards variable considerations comprises components of volume discounts

27.6 Transaction price allocated to the remaining performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of March 31, 2024 amounts to ₹ 1,988.12 Lakhs (March 31, 2023 : Nil).

27.7 The management of company expects that above unsatisfied performance obligation will be fully recognised as revenue during the next reporting year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 28 Other Income

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Dividend Income from Non Current Investment	0.35	0.70
Interest Income from Financial assets measured at amortised cost		
- Fixed Deposits with Banks	150.03	144.75
- Interest on loans	219.93	132.69
- Others	4.22	10.98
Lease Rent	50.09	66.56
Export Incentives	14.40	32.45
Gain on Financial Instruments measured at fair value through profit or loss	475.46	442.30
Profit on sale/ discard of Property, Plant and Equipment	1.21	-
Corporate Guarantee Commission (Refer Note No. 36)	16.29	-
Miscellaneous Income	2.02	2.87
Total	934.00	833.30

Note: 29 Changes in Inventories of Finished Goods and Work-In-Progress

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Closing Inventories		
Finished Goods	16.01	12.77
Finished Goods-in Transit	0.86	-
Work-in-Progress	8,111.55	5,558.43
	8,128.42	5,571.20
Opening Inventories		
Finished Goods	12.77	95.17
Work-in-Progress	5,558.43	4,446.14
	5,571.20	4,541.31
Increase in Inventories	(2,557.22)	(1,029.89)

Note: 30 Employee Benefits Expenses

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Salaries, Wages and Allowances	2,528.61	1,909.43
Contribution to Provident and Other Funds	84.73	53.13
Welfare and Other Amenities	114.70	78.03
Total	2,728.04	2,040.59

30.1 As per Ind AS - 19 "Employee Benefits", the disclosures of Employee Benefits as defined in the Ind AS are given below :

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
(a) Contribution to Defined Contribution Plan, recognised as expense for the year are as under		
Employer's Contribution to Provident Fund and ESIC	31.81	23.01

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 30 Employee Benefits Expenses (Contd..)

(b) Defined Benefit Plan - Funded

The employees' Gratuity Fund is managed by the Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Particulars	Gratuity (Funded)	
	As at March 31, 2024	As at March 31, 2023
Actuarial Assumptions		
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult
Salary growth	9.00%	9.00%
Discount rate	7.19%	7.39%
Withdrawal Rate	11.00%	11.00%

Particulars	Gratuity (Funded)	
	As at March 31, 2024	As at March 31, 2023
Movement in present value of Defined Benefit Obligation		
Defined Benefit Obligations at the beginning of the year	250.51	153.99
Current Service Cost	35.98	19.37
Interest Cost	18.52	10.53
Actuarial Loss	48.47	8.13
Benefits Paid	(4.96)	(3.63)
Liability Transferred In/ Acquisitions	-	62.12
Defined Benefit Obligations at the end of the year	348.52	250.51
Movement in present value of plan assets		
Fair value at the beginning of the year	25.10	-
Employer Contribution	9.93	25.10
Interest Income	1.85	-
Benefits Paid	(4.96)	-
Return on Plan Assets, Excluding Interest Income	0.02	-
Fair value at the end of the year	31.94	25.10
Expense recognised in the Statement of Profit and Loss		
Current Service Cost	35.98	19.37
Interest on Defined Benefit Obligations	16.67	10.53
Total included in "Remuneration and Benefits to Employees"	52.65	29.90
Amount recognised in Other Comprehensive Income		
Components of Actuarial (gain)/loss on obligations		
Due to changes in financial assumptions	3.97	(8.68)
Due to changes in demographic assumptions	-	-
Due to experience adjustments	44.50	16.81
Total	48.47	8.13

(c) Fair Value of assets

Particulars	Gratuity (Funded)	
	As at March 31, 2024	As at March 31, 2023
Life Insurance Corporation of India	31.94	25.10

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 30 Employee Benefits Expenses (Contd..)

(d) Net Liability recognised in balance sheet

Particulars	Gratuity (Funded)	
	As at March 31, 2024	As at March 31, 2023
Present Value of Obligations at the end of the year	348.52	250.51
Less : Fair Value of Plan Assets at the end of the year	31.94	25.10
Net Liability recognised in balance sheet	316.58	225.41

- (e) The estimate of rate of escalation in Salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other retirement factors including supply and demand in the employment market. The above information is certified by the actuary.

30.2 Sensitivity Analysis

Particulars	Effect on Gratuity Obligation Increase / (Decrease)	
	As at March 31, 2024	As at March 31, 2023
Discount Rate + 100 basis points	(19.12)	(14.40)
Discount Rate - 100 basis points	21.30	16.09
Salary Escalation Rate + 100 basis points	17.71	15.76
Salary Escalation Rate - 100 basis points	(16.22)	(14.23)
Withdrawal Rate+100 basis points	(1.63)	(2.29)
Withdrawal Rate-100 basis points	1.79	2.51

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the Projected Unit Credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

30.3 Expected payments towards contributions to Gratuity in future years :

Year Ended	Expected Payments
March 31, 2025	53.26
March 31, 2026	40.31
March 31, 2027	36.53
March 31, 2028	33.32
March 31, 2029	33.00
March 31, 2030 and above	402.45

30.4 Risk exposures

These plans typically expose the company to actuarial risks as Salary Risk, Discount Rate, Employee Turnover rate/Withdrawal rate and Mortality / Disability.

Salary Risk

Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

Discount rate

In case the yield on the government bonds drops in the future period then it may result in increase in the liability.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 30 Employee Benefits Expenses (Contd..)

Employee Turnover rate/Withdrawal rate

If the actual withdrawal rate in the future turns out to be more or less than expected then it may result in increase in the liability.

Mortality / Disability

Maturity Analysis of Benefit Payments is undiscounted cash flows considering future salary, attrition & death in respective year for members as mentioned above.

Details of Asset-Liability Matching Strategy:-

Gratuity benefits liabilities of the company are Funded. There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan. The trustees of the plan have outsourced the investment management of the fund to insurance companies which are regulated by IRDA. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

30.5 The average duration of the defined benefit plan obligation at the end of the reporting period is 9.00 years (March 31, 2023 : 9.00 years).

Note: 31 Finance Costs

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest Expenses on Financial Liabilities measured at amortised cost	220.81	456.32
Interest on Lease Liability	2.72	-
Other Borrowing Costs (Refer Note No. 31.1)	161.05	164.71
Total	384.58	621.03

31.1 Above includes Interest of ₹ 54.74 lakhs (March 31, 2023: ₹ 63.89 Lakhs) on late payment of Advance Tax.

Note: 32 Depreciation and Amortisation Expenses

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Depreciation of Property, Plant and Equipment (Refer Note No. 2)	1,087.38	923.79
Depreciation of Investment Property (Refer Note No. 3)	86.14	85.98
Amortisation of Intangible Assets (Refer Note No. 4)	42.68	57.91
Total	1,216.20	1,067.68

Note: 33 Other Expenses

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
MANUFACTURING EXPENSES		
Consumables, Stores and Spares Consumed	421.93	313.58
Power and Fuel	357.95	328.32
Labour Charges	295.29	278.49
Repairs and Maintenance - Others	196.14	159.80
Job Processing charges	394.47	157.88
Design and Development Charges	122.51	-
Other Manufacturing Expenses	75.31	87.33
	1,863.60	1,325.40

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 33 Other Expenses (Contd..)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
SELLING AND DISTRIBUTION EXPENSES		
Advertisement and Business Promotion	257.40	65.11
Packing & Forwarding Expenses	24.29	25.33
Freight Outward	39.28	36.10
Others	15.04	-
	336.01	126.54
ADMINISTRATIVE EXPENSES		
Insurance	40.95	39.96
Rent	80.93	48.97
Rates and Taxes	109.68	544.31
Printing and Stationery	19.14	19.61
Communication Expenses	10.85	8.57
Travelling and Conveyance	534.55	401.69
Legal and Professional Charges	155.72	131.42
Payment to Auditors (Refer Note No. 33.1)	66.60	60.43
Security Expenses	33.06	22.11
Office Expenses	120.66	59.95
Director Sitting fees	24.00	28.00
Postages and Courier	25.96	33.54
Miscellaneous Expenses	124.62	180.68
	1,346.72	1,579.24
OTHER EXPENSES		
Bank Charges	236.04	90.01
Bad Debts / Advances written off (Net)	145.70	87.98
Reversal for Credit Impaired	(30.85)	(10.35)
Provision for Expected Credit Loss	522.45	163.58
Provision for Doubtful Advances	7.80	-
Donation	50.75	12.81
Corporate Social Responsibility Expenditure (Refer Note No. 37)	69.00	61.25
Loss on sale/ discard of Property, Plant and Equipment	-	6.31
Loss on Foreign Currency Fluctuations (Net)	14.91	34.37
Late Delivery charges	30.53	41.32
	1,046.33	487.28
Total	4,592.66	3,518.46

33.1 Break-up of Payment to Auditors :

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Payment to Auditors as :		
For Statutory Audit	35.50	31.00
For Quarterly Review Fees	16.00	16.00
For Tax Audit	10.50	9.00
For Certification charges	4.00	4.00
For Reimbursement of Expenses	0.60	0.43
Total	66.60	60.43

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 34 Earnings Per Share

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Basic Earnings Per Share		
Profit for the year	3,423.50	3,592.82
Weighted average number of Equity Shares (Nos.)	3,90,00,061	3,90,00,061
Basic Earnings Per Share of ₹ 10/- each	8.77	9.21
Diluted Earnings Per Share		
Amount available for calculation of Diluted EPS	3,423.50	3,592.82
Weighted average number of Equity Shares (Nos.)	3,90,00,061	3,90,00,061
Add : Potential number of Equity Shares	-	-
No. of shares used for calculation of Diluted EPS	3,90,00,061	3,90,00,061
Diluted Earnings Per Share of ₹ 10/- each	8.77	9.21

Note: 35 Contingent Liabilities and commitments

Particulars	As at March 31, 2024	As at March 31, 2023
A Contingent Liabilities (to the extent not provided for)		
Claims against the Company not acknowledged as debts		
I Disputed Liabilities in Appeal (No Cash outflow is expected in the near future)		
INCOME TAX*	86.44	86.44
GST	15.16	15.16
CUSTOMS ACT	-	16.54
II GUARANTEES		
Guarantees given by the Company's Bankers (Bank guarantees are provided under contractual / legal obligation)	15,340.76	9,993.86
Corporate Guarantee given by the Company	3,258.00	-
III LETTER OF CREDIT OUTSTANDING		
Letters of Credit opened in favour of Suppliers (Cash flow is expected on receipt of material from suppliers)	755.84	154.60
B Capital Commitments :		
Estimated amount of contracts to be executed on capital account not provided for	994.36	815.54
Commitment towards EPCG License	-	296.12

*During the Year 2020-21, Company has received the assessment order u/s 143(3) from the Income Tax department, however since there were errors in the said order, the Company has filed the rectification application under section 154 of the Income Tax Act, 1961, accordingly no contingent liability disclosed for the same.

C Management is of the view that the above litigation will not impact significantly the financial position of the company.

Note: 36 Related Party Disclosures :

In accordance with the requirements of Ind AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported year, are as detailed below:

List of Related Parties :

I Subsidiaries

- i Paras Aerospace Private Limited
- ii Paras Green UAV Private Limited (Formerly Known as Paras Green Optics Private Limited)
- iii Paras Anti- Drone Technologies Private Limited
- iv OPEL Technologies PTE Ltd
- v Ayatti Innovative Private Limited

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 36 Related Party Disclosures : (Contd..)

- vi Quantico Technologies Private Limited (w.e.f. December 30, 2023)
- vii Mechtech Thermal Private Limited (w.e.f. January 11, 2024)

II Associate

- i Krasny Paras Defence Technologies Private Limited
- ii Controp Paras Technologies Private Limited (w.e.f. July 31, 2023)

III Key Managerial Personnel

- i Mr. Sharad Shah (Non-Executive Director)
- ii Mr. Munjal Sharad Shah (Managing Director)
- iii Mrs. Shilpa Amit Mahajan (Whole-time Director)
- iv Mr. Harsh Bhansali (Chief Financial Officer)
- v Mr. Hemalkumar Hirenbbhai Sagalia (till December 13, 2023)
- vi Ms. Jajvalya Raghavan (w.e.f. February 09, 2024)
- vii Mr. Ajit Sharma (till December 17, 2022)

IV Key Managerial Personnel Relatives

- i Mrs. Ami Munjal Shah
- ii Mrs. Niranjana Shah
- iii Mrs. Kaajal Bhansali
- iv Mr. Anish Mehta
- v Mr. Amit Mahajan

V Enterprises in which key managerial personnel and their relatives are able to exercise significant influence with whom transactions have taken place during the year :

- i Defspace Technologies Private Limited

A. Transactions with Related Parties :

Nature of Transactions	Name of the Related Parties	For the Year ended March 31, 2024	For the year ended March 31, 2023
Transactions with Subsidiaries:			
Investment Made	Ayatti Innovative Private Limited	-	129.20
	Quantico Technologies Private Limited	10.00	-
	Mechtech Thermal Private Limited	7.00	-
	Paras Anti- Drone Technologies Private Limited	55.00	-
Lease Rent Deposits Received	Ayatti Innovative Private Limited	-	5.00
	Quantico Technologies Private Limited	0.30	-
	Paras Aerospace Private Limited	0.75	-
	Paras Green UAV Private Limited	1.40	1.20
	Paras Anti- Drone Technologies Private Limited	1.20	1.20
Income - Lease Rent	Paras Aerospace Private Limited	8.25	3.00
	Ayatti Innovative Private Limited	25.50	9.60
	Quantico Technologies Private Limited	0.30	-
	Mechtech Thermal Private Limited	7.50	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 36 Related Party Disclosures : (Contd..)

Nature of Transactions	Name of the Related Parties	For the Year ended March 31, 2024	For the year ended March 31, 2023
Sale of Products	OPEL Technologies PTE Ltd	2,452.55	2,645.59
	Paras Aerospace Private Limited	-	30.33
Corporate Guarantee given	Paras Anti- Drone Technologies Private Limited	2,748.00	-
	Paras Aerospace Private Limited	510.00	-
Corporate Guarantee Income	Paras Anti- Drone Technologies Private Limited	2.55	-
	Paras Aerospace Private Limited	13.74	-
Advance Given to Vendors	Paras Aerospace Private Limited	-	51.87
Advance returned on the cancellation of order	Paras Aerospace Private Limited	-	51.87
	Ayatti Innovative Private Limited	-	24.50
Reimbursement of expenses on their behalf	Paras Anti- Drone Technologies Private Limited	-	1.26
	Ayatti Innovative Private Limited	59.50	120.00
Loan Given	Paras Aerospace Private Limited	1,798.50	-
	Paras Anti- Drone Technologies Private Limited	181.00	-
	Ayatti Innovative Private Limited	30.00	-
Loan Repaid	Paras Anti- Drone Technologies Private Limited	151.00	-
	Ayatti Innovative Private Limited	16.40	3.19
Interest on Loan Given	Paras Aerospace Private Limited	58.50	-
	Paras Anti- Drone Technologies Private Limited	0.92	-
Transactions with Associates:			
Purchase of Investment	Krasny Paras Defence Technologies Private Limited	-	47.50
	Controp Paras Technologies Private Limited	0.30	-
Lease Rent Deposits Received	Krasny Paras Defence Technologies Private Limited	-	0.75
	Controp Paras Technologies Private Limited	0.30	-
Income - Lease Rent	Krasny Paras Defence Technologies Private Limited	2.64	2.16
	Controp Paras Technologies Private Limited	0.30	-
Reimbursement of expenses on their behalf	Krasny Paras Defence Technologies Private Limited	-	1.20
Transactions with other Related Parties:			
Director Sitting Fees	Mr. Sharad Shah	6.00	6.00
	Mr. Munjal Sharad Shah	84.00	69.00
	Mrs. Shilpa Amit Mahajan	38.36	24.45
Managerial Remuneration	Mr. Harsh Bhansali	48.00	36.83
	Mr. Ajit Sharma	-	10.40
	Mr. Hemalkumar Hirenbbhai Sagalia	12.53	0.15
	Ms. Jajvalya Raghavan	4.34	-
Salary to relatives	Mrs. Kaajal Bhansali	36.00	33.00
	Mrs. Ami Munjal Shah	60.00	41.00
	Mr. Amit Mahajan	48.00	24.86
Rent Expense	Mr. Anish Mehta	36.00	29.18
	Mr. Munjal Sharad Shah	6.00	6.00

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 36 Related Party Disclosures : (Contd..)

Nature of Transactions	Name of the Related Parties	For the Year ended March 31, 2024	For the year ended March 31, 2023
Income - Lease Rent		3.00	3.00
Purchase of Goods		3.04	-
Loans Taken by Company		-	100.00
Loans Repaid by Company		-	100.00
Interest on Loan Taken	Defspace Technologies Private Limited	-	1.30
Loans Given		855.00	-
Loans Repaid		575.00	-
Interest on Loan Given		62.79	-

B. Balances with Related Parties:

Name of the Related Parties	As at March 31, 2024	As at March 31, 2023
Balances with Subsidiary Companies:		
Investment		
Paras Aerospace Private Limited	60.60	60.60
Paras Green UAV Private Limited	1.00	1.00
Paras Anti- Drone Technologies Private Limited	55.55	0.55
OPEL Technologies PTE Ltd	0.05	0.05
Ayatti Innovative Private Limited	699.20	699.20
Mechtech Thermal Private Limited	7.00	-
Quantico Technologies Private Limited	10.00	-
Lease Rent Receivables		
Mechtech Thermal Private Limited	8.10	-
Paras Aerospace Private Limited	5.24	-
Ayatti Innovative Private Limited	15.54	-
Corporate Guarantee Commission receivables		
Paras Aerospace Private Limited	13.74	-
Paras Anti-Drone Technologies Private Limited	2.55	-
Interest receivables		
Paras Aerospace Private Limited	47.41	-
Paras Anti-Drone Technologies Private Limited	0.19	-
Trade Receivables		
OPEL Technologies PTE Ltd	1,089.07	1,052.33
Security Deposits (Current Financial Liabilities)		
Ayatti Innovative Private Limited	5.00	5.00
Quantico Technologies Private Limited	0.30	-
Paras Aerospace Private Limited	0.75	-
Intercorporate Deposits Given		
Ayatti Innovative Private Limited	149.50	120.00
Paras Aerospace Private Limited	1,798.50	-
Paras Anti- Drone Technologies Private Limited	30.00	-
Corporate Guarantee Given		
Paras Aerospace Private Limited	2,748.00	-
Paras Anti- Drone Technologies Private Limited	510.00	-
Balances with Associate Companies:		
Investment		
Krasny Paras Defence Technologies Private Limited	52.25	52.25
Controp Paras Technologies Private Limited	0.30	-
Lease rent receivable		
Krasny Paras Defence Technologies Private Limited	1.77	-
Security Deposits (Current Financial Liabilities)		
Krasny Paras Defence Technologies Private Limited	0.75	0.75
Controp Paras Technologies Private Limited	0.30	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 36 Related Party Disclosures : (Contd..)

Name of the Related Parties	As at March 31, 2024	As at March 31, 2023
Balance with other Related Parties:		
Intercompany Deposits Given		
Defspace Technologies Private Limited	280.00	-
Interest Receivable		
Defspace Technologies Private Limited	20.70	-
Other Payable (Rent Payable)		
Mr. Munjal Sharad Shah	-	0.45
Other Payables (Salary Payable)		
Mr. Munjal Sharad Shah	4.90	-
Mrs. Ami Munjal Shah	3.48	-
Mrs. Shilpa Mahajan	2.21	0.27
Mr. Harsh Bhansali	3.54	-
Mrs. Kaajal Bhansali	2.09	-
Mr. Amit Mahajan	1.04	0.86
Mr. Anish Mehta	4.17	0.07
Mr. Hemalkumar Hirenghai Sagalia	-	1.03
Ms. Jajvalya Raghavan	1.51	-
Trade Payable		
Defspace Technologies Private Limited	3.58	-
Security Deposits (Current Financial Liabilities)		
Defspace Technologies Private Limited	0.50	0.50

C. Compensation to Key Management Personnel of the Company

Particulars	For the Year ended March 31, 2024	For the year ended March 31, 2023
Nature of transaction		
Short-term employee benefits	187.23	140.83
Post-employment benefits	22.08	(1.22)
Total compensation to Key Management Personnel	209.31	139.61

D. The details of loans given by the Company are as under:

Name of the Company	Ayatti Innovative Private Limited	Paras Aerospace Private Limited	Paras Anti- Drone Technologies Private Limited
Outstanding as at March 31, 2024	149.50	1,798.50	30.00
Maximum amount outstanding during the year	155.00	1,798.50	151.00
Outstanding as at March 31, 2023	120.00	-	-
Maximum amount outstanding during the year	120.00	-	-

Note: 37 Expenditure related to Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 read with Schedule VII.

- CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ 66.49 lakhs (March 31, 2023 : ₹53.37 Lakhs)
- Expenditure incurred related to Corporate Social Responsibility is ₹ 69.00 Lakhs (March 31, 2023: ₹61.25 Lakhs)
- Amount shortfall ₹ NIL (March 31, 2023: ₹NIL)

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 37 Expenditure related to Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 read with Schedule VII. (Contd..)

Details of Expenditure incurred towards CSR given below:

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Environmental Sustainability and Animal Welfare	20.00	21.25
Health Care, Sanitation and providing Drinking Water	10.00	40.00
Promoting Education	35.00	-
Reducing inequalities faced by socially and economically backward groups	4.00	-
TOTAL	69.00	61.25

37.1 During the year ended the company has contributed above amount and received certificates / management confirmation stating that unspent amount of ₹51.15 lakh will be utilised within 6 months towards objects.

Note : 38 Fair Values

38.1 Financial Instruments by category:

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial assets and liabilities that are recognised in the Standalone Financial Statements.

a) Financial Assets / Liabilities measured at Fair Value:-

Particulars	As at March 31, 2024	As at March 31, 2023
Financial Assets designated at Fair Value through profit and loss:-		
- Investments	2,176.33	1,109.88

b) Financial Assets / Liabilities designated at Amortised Cost:-

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets :				
Financial Assets designated at Amortised Cost:-				
- Trade Receivables	18,012.74	18,012.74	14,477.65	14,477.65
- Cash and cash equivalents	146.76	146.76	1,559.04	1,559.04
- Bank Balance other than Cash and Cash Equivalents	723.10	723.10	2,152.26	2,152.26
- Loans	2,377.12	2,377.12	1,236.20	1,236.20
- Others	1,625.19	1,625.19	1,221.33	1,221.33
Total	22,884.91	22,884.91	20,646.48	20,646.48
Financial Liabilities :				
Financial Liabilities designated at Amortised Cost:-				
- Borrowings	3,388.80	3,388.80	-	-
- Lease liabilities	119.61	119.61	-	-
- Trade Payable	5,802.28	5,802.28	2,473.63	2,473.63
- Other Financial Liabilities	519.26	519.26	429.58	429.58
Total	9,829.95	9,829.95	2,903.21	2,903.21

38.2 Fair Valuation techniques used to determine Fair Value

The Company maintains procedures to value its financial assets or financial liabilities using the best and most relevant data available. The Fair Values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note : 38 Fair Values (Contd..)

The following methods and assumptions were used to estimate the Fair Values:

- i) Fair Value of Cash and Cash Equivalents, Other Bank Balances, Trade Receivable, Trade Payables, Current Loans, Current Borrowings, and other Current Financial Assets and Liabilities are approximate at their carrying amounts largely due to the short-term maturities of these instruments.
- ii) The fair values of non-current borrowings, Security Deposits and Margin money are approximate at their carrying amount due to interest bearing features of these instruments.
- iii) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

38.3 Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:-

- i) **Level 1 :-** Quoted prices / published Net Assets Value (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the Balance Sheet date and financial instruments like mutual funds for which Net Assets Value is published by mutual fund operators at the Balance Sheet date.
- ii) **Level 2 :-** Inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.
- iii) **Level 3 :-** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table provides hierarchy of the fair value measurement of Company's asset and liabilities, grouped into Level 1 (Quoted prices in active markets), Level 2 (Significant observable inputs) and Level 3 (Significant unobservable inputs) as described below:

Particulars	As at March 31, 2024		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through profit and loss:-			
Investments in Equity of Co-operative Bank	-	-	#25.00
Investment in Equity Shares	-	-	2,151.33

Particulars	As at March 31, 2023		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through profit and loss:-			
Investments in Equity of Co-operative Bank	-	-	#25.00
Investment in Equity Shares	-	-	784.88
Investment in 0.01% Optionally Convertible Preference Shares	-	-	300.00

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note : 38 Fair Values (Contd..)

Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy as at March 31, 2024 and March 31, 2023

Particulars	As at March 31, 2024	Valuation Technique	Input used
Financial Assets designated at fair value through profit and loss:-			
- Investment in unlisted equity shares	993.03	Based on professional valuer's certificate	Market approach- Comparable Transactions Multiple Method
- Investment in unlisted equity shares	1,158.30	Based on professional valuer's certificate	Enterprises Value/ Discounted Cash flow

Particulars	As at March 31, 2023	Valuation Technique	Input used
Financial Assets designated at fair value through profit and loss:-			
- Investment in unlisted equity shares	784.88	Based on professional valuer's certificate	Market approach- Comparable Transactions Multiple Method
- Investment in 0.01% Optionally Convertible Preference Shares	300.00	Based on professional valuer's certificate	Enterprises Value/ discounted cash flow

since the investments under level 3 of the fair value hierarchy as at March 31, 2024 and March 31, 2023 category are not material, therefore the disclosure for the same is not given.

Note: 39 Financial Risk Management - Objective And Policies

The Company is exposed to market risk, credit risk, liquidity risk and competition and price risk. Risk management is carried out by the company under policies approved by the Board of Directors. This Risk management plan defines how risks associated with the Company will be identified, analysed and managed. It outlines how risk management activities will be performed, recorded and monitored by the Company. The basic objective of risk management plan is to implement an integrated risk management approach to ensure all significant areas of risks are identified, understood and effectively managed to promote a shared vision of risk management and encourage discussion on risks at all levels of the organization to provide a clear understanding of risk / benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage/optimize key risks. Activities are developed to provide feedback to management and other interested parties (e.g. Audit committee, Board etc.). The results of these activities ensure that risk management plan is effective in the long term.

39.1 Market Risk and Sensitivity:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise two types of risk: foreign currency rate risk and interest rate risk. Financial instruments affected by market risk include loans, borrowings, deposits and investments.

The sensitivity analysis relate to the position as at March 31, 2024 and March 31, 2023

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 39 Financial Risk Management - Objective And Policies (Contd..)

(a) Foreign Currency Exchange Risk and Sensitivity

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Company's exposure to the risk of changes in foreign currency exchange rates relates primarily to the Company's operating activities and its Investment. The Company transacts business primarily in USD and Euro. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign currency exchange risk. The Company regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions.

The following table demonstrates the sensitivity in the USD, GBP and Euro to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax (PBT) due to changes in the fair values of monetary assets and liabilities is given below:

Unhedged Foreign currency exposure As at March 31, 2024	Currency	Amount in FC	Amount in INR
Investment	USD	11,91,059	993.03
Trade Receivable	USD	17,97,700	1,498.81
Trade Receivable	EURO	1,13,605	102.49
Trade Receivable	GBP	47,400	49.91
Trade Payable	USD	49,65,417	4,139.86
Trade Payable	EURO	66,626	60.11
Trade Payable	GBP	27,951	29.43

Unhedged Foreign currency exposure As at March 31, 2023	Currency	Amount in FC	Amount in INR
Investment	USD	9,54,642	784.88
Trade Receivable	USD	15,18,432	1,248.41
Trade Receivable	EURO	1,36,295	122.13
Trade Payable	USD	21,15,906	1,739.63
Trade Payable	EURO	1,20,556	108.03
Trade Payable	GBP	23,098	23.53

Foreign Currency Sensitivity

2% increase or decrease in foreign exchange rates will have the following impact on Profit Before Tax (PBT):-

Particulars	2023-24		2022-23	
	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)
USD	(32.96)	32.96	5.87	(5.87)
EURO	0.85	(0.85)	0.28	(0.28)
GBP	0.41	(0.41)	(0.47)	0.47
(Decrease) / Increase in Profit Before Tax	(31.70)	31.70	5.68	(5.68)

(b) Interest Rate Risk and Sensitivity :-

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is having non current borrowings in the form of term loans and current borrowings in the form of working capital. There is a fixed rate of interest in case of vehicle loans and hence, there is no interest rate risk associated with these borrowings. The Company is exposed to interest rate risk associated with working capital facility due to floating rate of interest.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 39 Financial Risk Management - Objective And Policies (Contd..)

The exposure of the Company's borrowings to interest rate changes at the end of the reporting year are as follows:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Term Loan From Banks and Financial Institutions	32.52	-
Working Capital Facility	3,356.28	-
Closing Balances	3,388.80	-

The table below illustrates the impact of a 2% increase / decrease in interest rates on interest on financial liabilities assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Particulars	2023-24		2022-23	
	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)	2% increase- Profit/(Loss)	2% decrease- Profit/(Loss)
Working Capital Facility	(67.13)	67.13	-	-
(Decrease) / Increase in Profit Before Tax	(67.13)	67.13	-	-

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

39.2 Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and other financial instruments.

a) Trade Receivables:-

The Company measures the expected credit loss of trade receivables, which are subject to credit risk based on historical trend, industry practices and the business environment in which the entity operates and adjusted for forward looking information. Loss rates are based on actual credit loss experience and past trends.

The Company has used practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix taken into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

The following table summarizes the Gross carrying amount of the trade receivables and provision made.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Trade Receivables	19,458.04	1,445.30	15,431.35	953.70

The following table summarizes the changes in the Provisions made for the receivables:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Opening Balances	953.70	800.47
Provided during the year	522.45	153.23
Reversed during the year	(30.85)	-
Closing Balances	1,445.30	953.70

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 39 Financial Risk Management - Objective And Policies (Contd..)

b) Financial Instruments and Cash Deposits:-

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances are maintained. Credit risk from balances with bank is managed by the Company's finance department. Investment of surplus funds are also managed by finance department. The Company does not maintain significant cash in hand. Excess balance of cash other than those required for its day to day operations is deposited into the bank.

For other financial instruments, the finance department assesses and manage credit risk based on internal assessment. Internal assessment is performed for each class of financial instrument with different characteristics.

39.3 Liquidity Risk :

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on short term borrowings and operating cash flows in the form of working capital to meet its need for fund. The Company does not breach any covenants wherever applicable on any of its borrowing facilities. The Company has access to a sufficient variety of sources of funding as per requirements.

The below table summaries the maturity profile of the Company's financial liability :

Particulars	Maturity				Total
	On Demand	Less than 1 Year	1 to 5 Years	More than 5 years	
March 31, 2024					
Non Current Borrowings (including current maturities)	-	4.98	22.91	4.63	32.52
Current Borrowings	3,356.28	-	-	-	3,356.28
Lease Liabilities	-	34.48	85.13	-	119.61
Trade Payable	-	5,802.28	-	-	5,802.28
Other Financial Liabilities	-	519.26	-	-	519.26
Total	3,356.28	6,361.00	108.04	4.63	9,829.95
March 31, 2023					
Trade Payable	-	2,473.63	-	-	2,473.63
Other Financial Liabilities	-	429.58	-	-	429.58
Total	-	2,903.21	-	-	2,903.21

39.4 Competition and Price Risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

Note: 40 Capital Risk Management

For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and net debts. The primary objective of the Company's capital management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt divided by total capital (equity plus net debt). Net debt are non current debts plus current debts as reduced by cash and cash equivalents. Equity comprises all components including other comprehensive income.

Particulars	March 31, 2024	March 31, 2023
Total Debt	3,388.80	-
Less: Cash and cash equivalent	146.76	1,559.04
Net Debt	3,242.04	(1,559.04)
Equity	44,664.84	41,313.00
Total Capital (Equity + Net Debt)	47,906.88	39,753.96
Gearing ratio	6.77%	NA

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 41 SEGMENT REPORTING

A. Segment information as per Indian Accounting Standard - 108 - "Operating Segments" :

As per Indian Accounting Standard 108 'Operating Segments', the chief operating decision maker of the Company has identified following reportable segments of its business:

Considering the present product-centric nature of operations, the product categories in the order book and future business plans, during the year, the CODM has adopted a new enhanced approach towards monitoring and allocation of the resources to the business, accordingly during the year, the Company has identified two segments, namely "Optics and Optronic Systems" and "Defence Engineering" as against "Heavy Engineering", "Defence & Space Optics" and "Defence Electronics" till March 31, 2023. The figures for the previous year have been regrouped to make them comparable with those of the current year.

Segment comprise of:

Optics & Optronic Systems:

- Optical Components and Sub-Systems like Space Optics/Gratings/Mirrors, Infra-Red Lenses for Night Vision Devices, Opto-mechanical Assemblies and Precision Diamond Turned components etc.
- Opto-Electronic Systems comprising of Submarine Periscope, hyperspectral camera etc.
- EO/IR Systems.

Defence Engineering:

- Defence Electronics comprising of Defence Automation & Control systems, Rugged Command & Control Consoles, Avionic suite etc.
- Heavy Engineering comprising of Flow Formed Rockets/ Missile Motor Tubes, Electromechanical assemblies, Remote Controlled Border Defence System and Turnkey projects.
- Electromagnetic Pulse Protection Solutions.

Unallocated

Consists of other income, expenses, assets and liabilities which cannot be directly identified to any of the above segments.

I Segment wise Revenue

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Segment Revenue		
a. Optics and Optronic Systems	6,939.18	10,550.21
b. Defence Engineering	16,304.27	10,877.75
Revenue From Operations	23,243.45	21,427.96
Segment Results		
a. Optics and Optronic Systems	3,223.69	5,692.34
b. Defence Engineering	3,838.10	1,701.78
Total	7,061.79	7,394.12
i) Finance Costs	(384.58)	(621.03)
ii) Other unallocable expenditure	(3,148.93)	(2,933.70)
iii) Unallocable Income	934.00	833.30
Profit before exceptional items and Tax	4,462.28	4,672.69
Exceptional items	-	-
Profit Before Tax	4,462.28	4,672.69

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 41 SEGMENT REPORTING (Contd..)

II Segment wise Assets and Liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Segment Assets		
a. Optics and Optronics	22,984.21	20,843.32
b. Defence Engineering	24,134.02	19,329.56
c. Unallocable	13,672.58	10,146.53
Total	60,790.81	50,319.41
Segment Liabilities		
a. Optics and Optronics	3,576.51	902.34
b. Defence Engineering	5,379.06	4,586.02
c. Unallocable	7,170.40	3,518.05
Total	16,125.97	9,006.41

III Other Informations

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Capital Expenditure	2,476.94	2,318.72
Depreciation	1,216.20	1,067.68
Non-cash Expenses other than Depreciation	645.10	247.52

B. Segment Identification, Reportable Segments and definition of each segment :

a. Reportable Segments:

The chief operating decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the internal reporting system and is measured consistently with profit or loss in the Standalone Financial Statements. Operating segment have been identified on the basis of the nature of products / services and have been identified as per the quantitative criteria specified in Ind AS.

b. Primary / Secondary Segment Reporting Format:

- The risk-return profile of the company's business is determined predominantly by the nature of its products. Accordingly, the business segments constitute the Primary Segments for disclosure of segment information.
- Revenue disaggregation by geography (Refer Note No. 27.2)
- No Non-Current Assets of the Company is located outside India as on March 31, 2024 and March 31, 2023

IV Segment revenue, results, assets and liabilities:

Revenue and results have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which is related to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment assets and segment liabilities represent assets and liabilities in respective segments. Segment assets include all operating assets used by the operating segment and mainly includes property, plant and equipment, trade receivable, inventories and other receivables. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets and liabilities.

V Information about major customers:

Revenue from operations include ₹ 10,586.37 Lakhs, (March 31, 2023 : ₹ 10,805.45 Lakhs) from three customers (March 31, 2023: four customers) having more than 10% of the total revenue.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 42 Group Information

Name	Principal Place of Business	% Equity interest	
		As at March 31, 2024	As at March 31, 2023
A Indian subsidiaries and Associates			
Subsidiaries:			
Paras Aerospace Private Limited	India	60.00%	60.00%
Paras Green UAV Private Limited (Formerly Known as Paras Green Optics Private Limited)	India	100.00%	100.00%
Paras Anti-Drone Technologies Private Limited	India	55.00%	55.00%
Ayatti Innovative Private Limited	India	58.02%	58.02%
Quantico Technologies Private Limited	India	100.00%	-
Mechtech Thermal Private Limited	India	70.00%	-
Associates:			
Krasny Paras Defence Technologies Private Limited	India	47.50%	47.50%
Controp Paras Technologies Private Limited	India	30.00%	-
B Overseas Subsidiary			
OPEL Technologies PTE Ltd	Singapore	100.00%	100.00%

Note: 43 Provisions

Disclosures as required by Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets":-

Movement in provisions:-

Nature of provision	Provision for Expected Credit loss on Trade Receivables	Provision for Credit Impaired	Provision for Doubtful advances	Total
As at April 01, 2022	752.30	48.17	-	800.47
Provision during the Year	163.58	-	-	163.58
Provision Reversed during the Year	-	(10.35)	-	(10.35)
As at March 31, 2023	915.88	37.82	-	953.70
Provision during the Year	522.45	-	7.80	530.25
Provision Reversed during the Year	-	(30.85)	-	(30.85)
As at March 31, 2024	1,438.33	6.97	7.80	1,453.10

Note : 44 The quarterly statements of current assets filed by the Company with banks/ financial institutions are in agreement with the books of accounts.

Summary of reconciliation of quarterly statements of current assets filed by the Company with Banks are as below :-

Particulars of Securities provided	For the quarter ended	Amount as per books of account	Amount as reported in the Statement	Amount of difference
Inventories & Trade Receivables	31-03-24	33,539.33	33,539.33	-
Inventories & Trade Receivables	31-12-23	32,436.54	32,436.54	-
Inventories & Trade Receivables	30-09-23	29,566.10	29,566.10	-
Inventories & Trade Receivables	30-06-23	26,437.06	26,437.06	-
Inventories & Trade Receivables	31-03-23	24,580.70	24,580.70	-
Inventories & Trade Receivables	31-12-22	27,605.51	27,605.51	-
Inventories & Trade Receivables	30-09-22	24,672.78	24,672.78	-
Inventories & Trade Receivables	30-06-22	20,432.76	20,432.76	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 45 Ratio Analysis and its Components

Sr. No.	Particulars	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Variance	Reason for variance
i)	Current ratio	Current Assets	Current Liabilities	2.77	4.53	(38.88)	During the year, there is an increase in current assets as well as current liabilities but the proportionate increase in current liabilities (mainly due to borrowings and trade payables) is more than that of current assets, hence decreasing the ratio.
ii)	Debt equity ratio	Total Debt	Total Equity (Equity Share capital + Other equity)	0.08	-	100.00	The ratio has increased due to increase in current borrowings.
iii)	Debt Service Coverage Ratio	Earnings available for debt service (Net profit after taxes + depreciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost + principle repayment of long term borrowings during the period/ year	14.62	8.90	64.25	The ratio has improved due to decrease in finance cost during the year.
iv)	Return on equity ratio	Net profit after tax	Average Total Equity [(Opening Total Equity + Closing Total Equity)/2]	7.96%	9.09%	(12.36)	
v)	Inventory Turnover ratio	Revenue from Operations	Average Inventory [(opening balance+ closing balance)/2]	2.00	2.71	(26.27)	The ratio has decreased due to increase in average inventory during the current year.
vi)	Trade receivables turnover ratio	Revenue from Operations	Average trade receivable [(opening balance+ closing balance)/2]	1.43	1.61	(11.02)	
vii)	Trade payables turnover ratio	Cost of Materials Consumed	Average trade payable [(opening balance+ closing balance)/2]	3.23	5.69	(43.28)	The Ratio has decrease is due to increase in average trade payables during the current year.
viii)	Net capital turnover ratio	Revenue from Operations	Working capital [(Current asset - Investments) - current liabilities]	0.96	0.91	5.93	
ix)	Net profit ratio	Net Profit after tax	Revenue from Operations	14.73%	16.77%	(12.16)	
x)	Return on capital employed	Profit Before interest & Tax	Total Equity + Total Debts + Deferred Tax Liability	9.68%	12.19%	(20.62)	
xi)	Return on investment	Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank	12.02%	12.25%	(1.82)	



Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note : 46 Other Statutory Information

- i) There are no balances outstanding on account of any transaction with companies strike off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) The Company does not have any such transaction which is not recorded in the books of account surrendered or disclosed as income during the year in the tax assessments under the Income-tax act, 1961.
- iv) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- v) The Company is not declared wilful defaulter by any bank or financial institution or other lender
- vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) 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.
- vii) The Company has not received any fund from any person(s) or entity(ies), including entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the (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.
- viii) There is no charge or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

Note: 47 Previous Year's figures have been regrouped / rearranged wherever necessary, to make them comparable with those of current year.

As per our report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

(Firm Registration No. 101720W/W100355)

For and on behalf of the Board of Directors

MUNJAL SHAH

Managing Director

DIN: 01080863

SHARAD SHAH

Chairman and Director

DIN: 00622001

RUPESH SHAH

Partner

Membership No. 117964

HARSH BHANSALI

Chief Financial Officer

JAJVALYA RAGHAVAN

Company Secretary

Membership No: F11942

Date: May 25, 2024

Consolidated Financial Statements

Independent Auditor’s Report

TO THE MEMBERS OF

PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its associates, which comprise the Consolidated Balance sheet as at March 31, 2024, and the Statement of Consolidated Profit and Loss (including Other Comprehensive Income), the Statement of Consolidated Changes in Equity and the Statement of Consolidated Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of material 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 and based on the consideration of report of other auditors on separate financial statements and on the other financial information of a subsidiaries and 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 principles generally accepted in India, of the Consolidated State of Affairs of the Group and of its associates as at March 31, 2024 and their Consolidated Profit including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and their Consolidated Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements 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 and its associates 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 thereunder, 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 obtained by us and other auditors in terms of their reports referred to in “Other Matter” paragraph below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2024. 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.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditors’ responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to that matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

Key Audit Matter	How our audit addressed the key audit matter
<p>1) Revenue:</p> <p>During the year, the Holding Company’s revenue from operation has been increased by 8.47%. Revenue is recognized when control of the underlying products have been transferred along with satisfaction of performance obligation. The terms of sales arrangements, including the timing of transfer of control and delivery specifications, create complexity and judgment in determining sales revenues.</p> <p>Significant Risk exists that revenue is recognized without substantial transfer of control and is not in accordance with IND AS115 ‘Revenue from contracts with customers’, resulting into recognition of revenue in incorrect period.</p> <p>Refer Note No. 1.4 (I) and 28 to the Consolidated Financial Statements.</p>	<p>We assessed the Holding Company’s processes and controls for recognizing revenue as part of our audit. Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessing the systems related to invoicing and measurement as well as other relevant systems supporting the accounting of revenue. Performed sample tests of individual sales transaction and traced to sales invoices, sales orders shipping documents and other related documents. In respect of the samples selected, tested that the revenue has been recognized as per the sales orders; Verifying the completeness of disclosure in the Consolidated Financial Statements.

Key Audit Matter	How our audit addressed the key audit matter
<p>2) Inventories</p> <p>As of March 31, 2024, inventories appear in the Holding Company's Standalone Financial Statements for an amount of ₹ 14,081.29 Lakhs constitutes 22.01% of the total assets of the Consolidated Financial Statements. Inventories are valued at the lower of cost or net realizable value</p> <p>The Holding Company may recognize an inventory allowance if inventory items are damaged, if the selling price has declined, or if the estimated costs to completion or to be incurred to make the sale have increased.</p> <p>We considered this matter as key audit matter due to the:</p> <ul style="list-style-type: none"> • Significance of the inventories balance. • Complexities involve in determining quality of inventories and quantities on hand due to the number, weight, diversity of inventory, storage, Valuation procedure including of obsolete inventories. <p>Refer Note No. 1.4 (E) and Note No. 10 to the Consolidated Financial Statements.</p>	<p>Our audit procedure included, among others:</p> <ul style="list-style-type: none"> • Reviewing the Holding Company's process and procedure for physical verification of the Inventories, identification of non-moving and obsolete items and accounting for the same. • Obtaining the physical inventory count reports of the Management of Holding company as per verification plan and discussing with the Management about the Control checks performed by them • Assessing the methods used to value inventories and ensuring the consistency of accounting methods. • Testing, by sampling, the effectiveness of the controls set up by Management to prevent or detect possible errors in valuation of inventories. • Analyzing the Holding company's assessment of net realizable value and calculations for stock obsolescence. • Verifying the completeness of disclosure in the Consolidated Financial Statements as per Ind AS 2. • Obtaining representation letter from the management as per SA 580 (revised) – Written Representations.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the management discussion & analysis and director's report included in the annual report but does not include the Consolidated Financial Statements and our auditor's report thereon. The above information is expected to be made available to us after the date of this auditor's report.

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 identified above 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. Other information so far as it relates to the subsidiary companies and associates not audited by us, is traced from their respective financial statements audited by the other auditors.

When we read the above other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Management Responsibilities for the Consolidated Financial Statements

The Holding Company's Board of Directors is 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 including Other Comprehensive Income,

Consolidated Cash Flows and the Consolidated Statement of Changes in Equity of the Group and its associates in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates 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 Consolidated 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 and of its associates are responsible for assessing the ability of the Group and of its associates and 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 their respective entities or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates is responsible for overseeing the financial reporting process of the Group and of its associates.

Auditors' Responsibility 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls 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 and of its associates 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 and of its associates 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 and its associates of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Consolidated Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated Financial Statements, which have been audited by 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 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 year 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.

Other Matter

- a) We did not audit the financial statements of two subsidiary companies, whose financial statements reflect total assets of ₹ 1,910.58 Lakhs as at March 31, 2024, total revenues of ₹ 2,675.03 Lakhs and net cash outflows amounting to ₹ 13.70 Lakhs for the year ended on that date and the financial statements of an associate company which reflect Group's share of net (loss) after tax of ₹ (4.38) Lakhs and total comprehensive income of ₹ (4.38) Lakhs for year ended March 31, 2024 as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these aforesaid subsidiaries and an associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the

aforesaid subsidiaries and an associate is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements as above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

- b) The Statement also includes unaudited financial information of 1 Subsidiary whose financial statements/information reflect total assets of ₹28.78 Lakhs as at March 31, 2024, total revenue of ₹ Nil and cash inflow of ₹ 1.57 Lakhs for the year ended March 31, 2024, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of ₹ (1.31) Lakhs and total comprehensive income of ₹ (1.31) Lakh for the year ended March 31, 2024, as considered in the Statement in respect of an Associate Company. These unaudited financial statement/ information as certified by the Management has been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the financial information of this subsidiary and an associate is based solely on such unaudited financial information. According to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the Consolidated Financial Statements as above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to financial statements/other financial information as certified by the management.

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 Act, based on our audit, we give in the "Annexure A" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements, referred in the Other Matters paragraph above we report, to the extent applicable, that, we report, that:
 - a. We/the other auditors, whose reports we have relied upon, 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.
 - c. The Consolidated Balance Sheet, the Statement of Consolidated Profit and Loss (Including other comprehensive income), the Statement of Consolidated Changes in Equity and the Statement of Consolidated Cash Flows dealt with by this Report are in agreement

with the 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 Ind AS prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and associate incorporated in India, none of the directors of the Group companies including its associate, incorporated in India, is disqualified as on March 31, 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 Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B", which is based on our reports of the Holding Company and Subsidiaries Companies incorporated in India, to whom internal financial controls with reference to financial statements is applicable.
- 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 managerial remuneration for the year ended March 31, 2024 has been paid or provided by the Holding Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated financial position of the Group and its associates as referred to in Note No. 36 to the Consolidated Financial Statements;
 - ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate companies.
 - iv. (a) The respective Managements of the Company, its subsidiaries and its associates

which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to other auditor of such subsidiary and associate company, that to the best of their knowledge and belief, as disclosed in the notes to the Consolidated 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 or any of such subsidiaries and associates 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 Company or any of such subsidiaries or associates (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The respective Managements of the Company, its subsidiaries and its associates, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to other auditor of such subsidiary and associate companies, that to the best of their knowledge and belief, as disclosed in the notes to the Consolidated Financial Statements, no funds have been received by the Company or any of such subsidiaries or associates from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the 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 our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (h) (iv) (a) & (b) above, contain any material misstatement.
- v. The Group and its associates has not declared or paid any dividend during the year.
- vi. Based on our examination which included test checks and based on the other auditors’ reports of its subsidiary company and an associate company which are companies incorporated in India whose financial statements have been audited under the Act, the Parent, its subsidiary companies and associate companies incorporated in India have used accounting software for maintaining their respective books of account for the year ended 31st March, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software.
- Further, during the course of our audit, we and the respective other auditors, whose reports have been furnished to us by the Management of the Parent, have not come across any instance of the audit trail feature being tampered with in respect of the accounting software.
- vii. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

For **CHATURVEDI & SHAH LLP**

Chartered Accountants

Firm Reg. No. 101720W / W100355

Rupesh Shah

Partner

Navi Mumbai

Date: May 25, 2024

Membership No. 117964

UDIN No.: 24117964BKFYDG6010

Annexure “A” to the Independent Auditors’ Report

(Referred to in paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED on the Consolidated Financial Statements for the year ended March 31, 2024)

According to the information and explanations given to us and based on the CARO Reports issued by us and the auditors of respective Companies, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks given by the respective auditors in their CARO reports of the said companies included in the Consolidated Financial Statements except mentioned below.

S. No	Name of the entities	CIN	Holding/ Subsidiary/ Joint Venture Company	Clause number of the CARO report which is unfavorable or qualified or adverse
1	Ayatti Innovative Private Limited	U28139PN2018PTC178147	Subsidiary Company	Clause vii(a) and xvii
2	Paras Aerospace Private Limited	U74999MH2019PTC413219	Subsidiary Company	Clause xvii
3	Paras Green UAV Private Limited	U74900MH2018PTC316487	Subsidiary Company	Clause xvii
4	Paras Anti-drone Technologies Private Limited	U74999MH2019PTC321808	Subsidiary Company	Clause xvii
5	Quantico Technologies Private Limited	U62013MH2023PTC416451	Subsidiary Company	Clause xvii

For **CHATURVEDI & SHAH LLP**
Chartered Accountants
Firm Reg. No. 101720W / W100355

Rupesh Shah
Partner

Membership No. 117964
UDIN No.: 24117964BKFYDG6010

Navi Mumbai
Date: May 25, 2024

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date on Consolidated Financial Statements of PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED for the year ended March 31, 2024)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to Consolidated Financial Statements of **PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiaries, which are companies incorporated in India, as of March 31, 2024 in conjunction with our audit of the Consolidated Financial Statements of the Holding Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the internal control 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 (‘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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards of 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 adequate internal financial controls with reference to these Consolidated 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 controls with reference to these Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to these Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to these Consolidated 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 judgment, 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 is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls with reference to these Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company’s internal financial control with reference to Consolidated 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 control with reference to Consolidated Financial Statements 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 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 Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated 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 Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated 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, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiaries, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls system with reference to these Consolidated Financial Statements and such

internal financial controls with reference to these Consolidated Financial Statements were operating effectively as at March 31, 2024, based on the internal control with reference to Consolidated Financial Statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **CHATURVEDI & SHAH LLP**

Chartered Accountants
Firm Reg. No. 101720W / W100355

Rupesh Shah
Partner

Navi Mumbai
Date: May 25, 2024

Membership No. 117964
UDIN No.: 24117964BKFYDG6010



Consolidated Balance Sheet

as at March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I. ASSETS			
1) Non Current Assets			
(a) Property, Plant and Equipment	2	17,817.81	14,523.53
(b) Capital Work in Progress	2	445.80	451.89
(c) Investment property	3	-	1,697.22
(d) Intangible Assets	4	107.86	88.18
(e) Goodwill		644.60	644.60
(f) Financial Assets			
i) Investments	5	2,214.11	1,150.59
ii) Trade Receivables	6	51.27	43.96
iii) Loans	7	3.39	1.59
iv) Other Financial Assets	8	1,966.18	1,171.88
(g) Non Current Tax Assets		6.57	0.27
(h) Deferred Tax Assets (Net)	22	5.25	3.83
(i) Other Non Current Assets	9	607.12	768.36
		23,869.96	20,545.90
2) Current Assets			
(a) Inventories	10	15,020.66	9,339.10
(b) Financial Assets			
i) Trade Receivables	11	19,794.19	14,987.13
ii) Cash and Cash Equivalents	12	298.17	1,710.73
iii) Bank Balances other than (ii) above	13	842.89	2,316.83
iv) Loans	14	395.93	1,144.61
v) Other Financial Assets	15	120.13	50.94
(c) Other Current Assets	16	3,630.92	1,958.84
		40,102.89	31,508.18
TOTAL ASSETS		63,972.85	52,054.08
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	17	3,900.00	3,900.00
(b) Other Equity	18	40,561.41	37,424.97
Equity attributable to Owners		44,461.41	41,324.97
Non Controlling Interest		(133.83)	20.41
Total Equity		44,327.58	41,345.38
LIABILITIES			
1) Non Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	19	143.22	94.58
ia) Lease Liabilities	20	85.13	-
(b) Provisions	21	303.57	200.41
(c) Deferred Tax Liabilities (Net)	22	2,040.04	2,118.75
		2,571.96	2,413.74
2) Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	23	6,317.54	1,367.53
ia) Lease Liability	20	34.48	-
ii) Trade Payables	24		
(A) Total Outstanding dues of Micro enterprises and small enterprises		1,078.15	292.71
(B) Total Outstanding dues of creditors other than Micro enterprises and small enterprises		5,019.92	2,319.16
iii) Other Financial Liabilities	25	606.14	483.22
(b) Other Current Liabilities	26	3,154.38	3,019.59
(c) Provisions	27	15.00	25.00
(d) Current Tax Liabilities (Net)		847.70	787.75
		17,073.31	8,294.96
TOTAL EQUITY AND LIABILITIES		63,972.85	52,054.08
Material Accounting Policies	1		
Notes to the Consolidated Financial Statements	2 to 48		

As per our report of even date

For **Chaturvedi & Shah LLP**

Chartered Accountants

(Firm Registration No. 101720W/W100355)

For and on behalf of the Board of Directors

MUNJAL SHAH

Managing Director

DIN: 01080863

SHARAD SHAH

Chairman and Director

DIN: 00622001

RUPESH SHAH

Partner

Membership No. 117964

HARSH BHANSALI

Chief Financial Officer

JAJVALYA RAGHAVAN

Company Secretary

Membership No: F11942

Date: May 25, 2024

Statement of Consolidated Profit and Loss

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
1 Revenue From Operations	28	25,349.82	22,242.59
2 Other Income	29	827.17	822.43
3 Total Income (1+2)		26,176.99	23,065.02
4 Expenses			
Cost of Materials Consumed		12,618.93	9,968.10
Purchase of Stock in Trade		2,773.91	1,715.45
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	30	(3,334.35)	(1,147.30)
Employee Benefits Expense	31	3,089.87	2,187.06
Finance Costs	32	543.95	671.68
Depreciation and Amortisation Expense	33	1,336.15	1,127.24
Other Expenses	34	5,095.99	3,845.16
Total Expenses		22,124.45	18,367.39
5 Profit Before Share of Loss of Associates, Exceptional Items and Tax (3-4)		4,052.54	4,697.63
6 Share of loss of Associates		5.69	13.13
7 Profit Before exceptional Items and Tax (5-6)		4,046.85	4,684.50
8 Exceptional Items		-	-
9 Profit Before Tax (7-8)		4,046.85	4,684.50
10 Tax Expenses :			
Current Tax		1,256.79	1,185.41
Deferred Tax	22	(103.32)	(30.21)
Income Tax for Earlier Years		(110.41)	(64.74)
		1,043.06	1,090.46
11 Profit for the Year (9-10)		3,003.79	3,594.04
12 Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement Losses on Defined Benefit Plans		48.47	8.13
Tax Effect on above		(12.20)	(2.05)
(ii) Items that will be reclassified to Profit or Loss			
Exchange differences in translating the financial statement of a foreign operation		(2.09)	(6.08)
Total Other Comprehensive Income (Net of Tax)		34.18	-
Total Comprehensive Income for the Year (11-12)		2,969.61	3,594.04
13 Profit attributable to			
Owners of the Company		3,206.01	3,605.86
Non-Controlling Interest		(202.22)	(11.82)
14 Other Comprehensive Income attributable to			
Owners of the Company		34.18	-
Non-Controlling Interest		-	-
15 Total Comprehensive Income attributable to			
Owners of the Company		3,171.83	3,605.86
Non-Controlling Interest		(202.22)	(11.82)
16 Earnings per Equity Share of ₹ 10/- each	35		
Basic (₹)		8.22	9.25
Diluted (₹)		8.22	9.25
Material Accounting Policies	1		
Notes to the Consolidated Financial Statements	2 to 48		

As per our report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

(Firm Registration No. 101720W/W100355)

For and on behalf of the Board of Directors

MUNJAL SHAH

Managing Director

DIN: 01080863

SHARAD SHAH

Chairman and Director

DIN: 00622001

RUPESH SHAH

Partner

Membership No. 117964

HARSH BHANSALI

Chief Financial Officer

JAJVALYA RAGHAVAN

Company Secretary

Membership No: F11942

Date: May 25, 2024



Statement of Consolidated Changes in Equity

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Balance as at April 01, 2022	Changes during the Year	Balance as at March 31, 2023	Changes during the Year	Balance as at March 31, 2024
Equity Share Capital	3,900.00	-	3,900.00	-	3,900.00

B. OTHER EQUITY

Particulars	Attributable to Equity Holders of Parent							Total
	Reserves and Surplus				Revaluation Reserve	Item of Other Comprehensive Income		
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings		Foreign Currency Translation Reserve	Remeasurements of Defined Benefit Plans	
Balance as at April 01, 2022	(808.36)	17,835.17	11.92	12,648.56	4,183.09	0.54	44.62	33,915.54
Reversal of Deferred Tax (IPO related expenses)	-	(35.39)	-	-	-	-	-	(35.39)
Movement In Non Controlling Interest	-	-	-	(61.04)	-	-	-	(61.04)
Total Comprehensive Income for the year	-	-	-	3,605.86	-	6.08	(6.08)	3,605.86
Balance as at March 31, 2023	(808.36)	17,799.78	11.92	16,193.38	4,183.09	6.62	38.54	37,424.97
Balance as at April 01, 2023	(808.36)	17,799.78	11.92	16,193.38	4,183.09	6.62	38.54	37,424.97
Reversal of Deferred Tax (IPO related expenses)	-	(35.39)	-	-	-	-	-	(35.39)
Movement In Non Controlling Interest	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	3,206.01	-	2.09	(36.27)	3,171.83
Balance as at March 31, 2024	(808.36)	17,764.39	11.92	19,399.39	4,183.09	8.71	2.27	40,561.41

As per our report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

(Firm Registration No. 101720W/W100355)

RUPESH SHAH

Partner

Membership No. 117964

Date: May 25, 2024

For and on behalf of the Board of Directors

MUNJAL SHAH

Managing Director

DIN: 01080863

HARSH BHANSALI

Chief Financial Officer

SHARAD SHAH

Chairman and Director

DIN: 00622001

JAJVALYA RAGHAVAN

Company Secretary

Membership No: F11942

Statement of Consolidated Cash Flows

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax as per the Consolidated Statement of Profit and Loss		4,046.85		4,684.50
ADJUSTED FOR :				
Depreciation and Amortisation Expense	1,336.15		1,127.24	
Share of loss of Associate Companies	5.69		13.13	
Interest Income	(323.38)		(292.54)	
Dividend Income	(0.37)		(0.70)	
Finance Costs	543.95		671.68	
(Profit)/ Loss on sale of Property, Plant and Equipment (Net)	(1.21)		6.31	
Bad Debts / Advances written off (Net)	147.96		91.20	
Provision for Expected Credit Loss	522.45		163.58	
Provision / (Reversal) for Credit Impaired	53.95		(10.35)	
Provision for Doubtful Advances	13.20		-	
Gain on Financial Instruments measured at fair value through profit or loss	(475.46)		(442.30)	
Unrealised Loss / (Gain) on Foreign Currency Transactions and Translation (Net)	11.65	1,834.58	(3.41)	1,323.84
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		5,881.43		6,008.34
ADJUSTMENTS FOR :				
Trade and Other Receivables	(7,318.00)		(1,868.71)	
Inventories	(5,681.56)		(2,676.34)	
Trade and Other Payables	3,728.95	(9,270.61)	4,057.58	(487.47)
CASH (USED IN) / GENERATED FROM OPERATIONS		(3,389.18)		5,520.87
Direct Taxes Including Interest (Paid)		(1,164.89)		(948.36)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES		(4,554.07)		4,572.51
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment, Intangible Assets, Capital Work-in-Progress		(2,600.79)		(2,532.63)
Sale of Property, Plant and Equipment & Asset held for Sale		18.82		155.15
Investment in Subsidiary Companies		-		(570.00)
Investment in Associate Company		(0.30)		(47.50)
Purchase of Non Current Investment		(892.45)		(523.01)
Sale of Optionally Convertible Preference Shares		300.00		201.00
Inter- Corporate Deposit given to Others		(1,070.00)		(1,130.00)
Inter- Corporate Deposits Repaid by Others		1,820.00		-
Interest Income		302.22		384.04
Dividend Income		0.37		0.70
Temporary deposits / Balances of Initial Public Offering Proceeds / Utilized		1,953.63		5,025.20
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES		(168.50)		962.95

Statement of Consolidated Cash Flows

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Issue of share to Non Controlling Interest	48.00	-
Proceed from Non Current Borrowings	93.19	120.00
Repayment of Non Current Borrowings	(28.17)	(4.89)
Current Borrowings (Net)	4,933.63	(2,475.21)
Payment related to Initial Public Offering	-	(39.53)
Finance Costs	(462.29)	(594.84)
Margin Money (Net)	(1,273.99)	(1,074.41)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	3,310.37	(4,068.88)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(1,412.20)	1,466.58
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,710.73	217.97
Pursuant to the acquisition of Subsidiary Company (Refer Note No. 46)	-	26.17
Effect of Exchange rate on Cash and Cash Equivalents	(0.36)	0.01
CASH AND CASH EQUIVALENTS AT END OF YEAR (Refer Note No. 12.1)	298.17	1,710.73

Changes in Liabilities arising from financing activities on account of Non-Current and Current Borrowings

Particulars	March 31, 2024	March 31, 2023
OPENING BALANCE OF LIABILITIES ARISING FROM FINANCING ACTIVITIES	1,462.11	3,107.95
Add : Pursuant to the acquisition of Subsidiary Company (Refer Note No. 46)	-	714.26
Add : Changes from Cash Flow from Financing Activities (Net)	4,998.65	(2,360.10)
CLOSING BALANCE OF LIABILITIES ARISING FROM FINANCING ACTIVITIES	6,460.76	1,462.11

- (i) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".
- (ii) Figures in brackets indicate Outflows.
- (iii) Previous Year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

As per our report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

(Firm Registration No. 101720W/W100355)

RUPESH SHAH

Partner

Membership No. 117964

Date: May 25, 2024

For and on behalf of the Board of Directors

MUNJAL SHAH

Managing Director

DIN: 01080863

HARSH BHANSALI

Chief Financial Officer

SHARAD SHAH

Chairman and Director

DIN: 00622001

JAJVALYA RAGHAVAN

Company Secretary

Membership No: F11942

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

1.1 Corporate Information

The consolidated financial statements comprise of Paras Defence & Space Technologies Limited ("the Company" or "Holding Company"), its subsidiaries and associates, as detailed in Note No. 43, for the year ended March 31, 2024. The Company is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Company is situated at D-112, TTC industrial area, Nerul, Navi Mumbai- 400706. The Group is involved in design, development, manufacturing, testing & commissioning of products, systems and solutions for Defence & Space Applications. The shares of the Holding company are publicly traded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in India.

The financial statements of the Group for the year ended March 31, 2024 were approved and adopted by board of directors in their meeting held on May 25, 2024.

1.2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, as amended from time to time.

The Consolidated financial statements have been prepared and presented on going concern basis and historical cost basis, except for the following assets and liabilities, which have been measured as indicated below:

- Certain Financial assets and liabilities at fair value (refer accounting policy regarding financial instruments).
- Employee's Defined Benefit Plans measured as per actuarial valuation report.

These financial statements are presented in Indian Rupees, which is the group's functional and presentation currency and all values are rounded off to the nearest lakhs with two decimals, except when otherwise indicated.

1.3 Principles of Consolidation

The consolidated financial statements have been prepared on the following principles of consolidation:

- i) The financial statements of the Holding Company and its subsidiaries/ entity where control exists are combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intragroup transactions and any unrealized income and expenses arising from intra Group transactions.
- ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion

of equity of each subsidiary. The difference between the cost of investment in the subsidiaries and the Parent's share of net assets at the time of acquisition of control in the subsidiaries is recognised in the consolidated financial statements as goodwill. However, resultant gain (bargain purchase) is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity.

- iii) The intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated in preparing the consolidated financial statements.
- iv) In case of foreign subsidiary, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).
- v) The Consolidated Financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.
- vi) For the acquisitions of additional interests in subsidiaries, where there is no change in the control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of controlling interests, the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in Consolidated Statement of Profit and Loss. Any investment retained is recognised at fair value. The results of subsidiaries acquired or disposed off during the year are included in the Consolidated Statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.
- vii) Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

viii) Investment in Associates has been accounted under the Equity Method as per Ind AS 28 – Investments in Associates and Joint Ventures. The investment in associates is initially recognised at cost. Subsequently, under the equity method, post-acquisition attributable profit/losses and other comprehensive income are adjusted in the carrying value of investment to the extent of the Group's investment in the associates. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

1.4 Material Accounting policies

(A) Property, Plant and Equipment :

Property, plant and equipment are carried at its cost, net of recoverable taxes, trade discounts and rebate less accumulated depreciation and impairment losses, if any. Cost includes purchase price, borrowing cost, non refundable taxes or levies and directly attributable cost of bringing the asset to its working condition for its intended use. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. In case of Property, Plant and Equipment, the Group has availed the fair value as deemed cost on the date of Ind AS transition i.e. April 01, 2016

Property, Plant and Equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital Work-in-Progress" and expenses incurred relating to it, net of income earned during the development stage, are disclosed as pre-operative expenses under "Capital Work-in-Progress".

Property, Plant and Equipment are eliminated from financial statements, either on disposal or when retired from active use. Gains / losses arising in the case of retirement/disposal of Property, Plant and Equipment are recognised in the Consolidated Statement of Profit and Loss in the year of occurrence.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation:

Depreciation on property, plant and equipment is provided on straight line method for the year for which the assets have been used as under:

- (a) Depreciation on assets is provided over the useful life of assets as prescribed under schedule II of Companies Act, 2013 except Mobile phones where 3 years have been taken
- (b) Leasehold land is amortised over the period of lease.

The asset's residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Depreciation on the Property, Plant and Equipment is provided using straight line method over the useful life of the assets as specified in Schedule II to the Companies Act, 2013 except for following assets where the useful life is different as per technical evaluation than those prescribed in Schedule II are mentioned below-

Particulars	Useful Life
Drone Charging Station	2 Years
Drone	3 Years

(B) Intangible Assets and Amortisation:

Intangible Assets are stated at cost, net of accumulated amortization and impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gain or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Consolidated Statement of Profit and Loss. In case of Intangible Assets, the Group has availed the fair value as deemed cost on the date of transition i.e. April 01, 2016. The period of amortisation is as under :

Asset	Period of amortisation
Computer Software	6 Years
Technical Know-how	6 Years

(C) Impairment of Non-Financial Assets - Property, Plant and Equipment & Intangible Assets:

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

to which the asset belongs. An impairment loss is recognised in the Consolidated Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

(D) Taxes on Income:

Tax expense represents the sum of current tax (including income tax for earlier years) and deferred tax. Tax is recognised in the Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

(E) Inventories:

Inventories are measured at lower of cost and net realisable value (NRV) after providing for obsolescence, if any. NRV is the estimate selling price in the ordinary course of business, less estimated costs of completion and estimate cost necessary to make the sale. Cost of Inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw materials, stores & spares, packing materials are determined

on weighted average basis. The Cost of Work in Progress and Finished Goods is determined on absorption costing methods.

(F) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets - Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost. Purchase and sale of financial assets are recognized using trade date accounting. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Financial assets - Subsequent measurement

For the purpose of subsequent measurement financial assets are classified in two broad categories:-

- a) Financial assets at fair value
- b) Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the Consolidated Statement of Profit and Loss (i.e. fair value through profit and loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- a) Business model test: The objective of the Group's business model is to hold the financial asset to collect the contractual cash flow.
- b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- a) Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

- b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit or loss.

Financial assets - Derecognition

A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Group has transferred its rights to receive cash flow from the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Financial Liabilities - Initial recognition and measurement:

The financial Liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial Liabilities - Subsequent measurement:

Financial Liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial Liabilities - Financial guarantee contracts:

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

Financial liability - Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

(G) Fair Value:

The Group measures financial instruments at fair value at each Balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

(H) Investment in Associates:

The Group has elected to recognize its investment in associate at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

(I) Revenue Recognition and Other Income:

Sales of goods and services:

The Group derives revenues primarily from sale of products comprising of Defence & Space Applications

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Contract Balances - Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Other Income:

Incentives on exports and other Government incentives related to operations are recognised in the Consolidated Statement of Profit and Loss after due consideration of certainty of utilization/receipt of such incentives.

Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend Income:

Dividend Income is recognised when the right to receive the payment is established.

Rental income:

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included as other income in the statement of profit or loss.

(J) Foreign currency transactions and translation:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Consolidated Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Consolidated Statement of Profit and Loss, within finance costs. All other finance gains / losses are presented in the Consolidated Statement of Profit and Loss on a net basis.

In case of an asset, expense or income where a monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

(K) Employee Benefits:

Short term employee benefits are recognized as an expense in the Consolidated Statement of Profit and Loss of the year in which the related services are rendered. Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

The cost of providing gratuity, a defined benefit plans, is determined based on Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in Consolidated Statement of Profit and Loss.

Remeasurements of defined benefit plan in respect of post employment and other long term benefits are charged to the other comprehensive income in the year in which they occur. Remeasurements are not reclassified to Consolidated Statement of Profit and Loss in subsequent periods.

(L) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the

effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Consolidated Statement of Profit and Loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

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 Group or a present obligation 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. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised in financial statement. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

(M) Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or counterparty.

(N) Business Combination and Goodwill/Capital Reserve:

The Group uses the pooling of interest method of accounting to account for common control business combination and acquisition method of accounting to account for other business combinations.

The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in other equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in other equity as capital reserve, without routing the same through OCI.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within other equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the Consolidated Statement of Profit and Loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

In case of Pooling of interest method of accounting, the assets and liabilities of the combining entities recognises at their carrying amounts. No adjustment is made to reflect the fair value or recognise any new assets and liabilities. The financial information in the consolidated financial statements in respect of prior periods restates as if the business combination had occurred from the beginning of the preceding period. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves.

Transaction costs that the Group incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

1.5 Key accounting estimates and judgements

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Depreciation/amortisation and useful lives of property, plant and equipment/intangible assets:

Property, plant and equipment/intangible assets are depreciated/amortised over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortisation for future periods is revised if there are significant changes from previous estimates.

b) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

c) Defined benefit obligation:

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, expected rate of return on assets and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

d) Income Tax:

Respective Companies reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the unused tax losses or tax credits can be utilised. This involves an assessment of when those assets are

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets. This requires assumptions regarding future profitability, which is inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets and consequential impact in the statement of profit and loss.

e) Recoverability of trade receivables:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

f) Impairment of Non-Financial Assets:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication

exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's Fair Value or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 2 Property, Plant and Equipment

Particulars	Freehold-Land	Leasehold-Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Right of Use Assets (Building)	Total
Balance as at April 01, 2022	-	5,463.32	2,403.02	8,728.98	424.61	403.76	271.87	121.48	-	17,817.04
Addition pursuant to acquisition of Subsidiary Company (Refer Note No. 46)	-	-	-	366.81	5.87	-	0.39	-	-	373.07
Additions for the Year	-	-	284.43	1,109.21	125.09	-	111.58	26.71	-	1,657.02
Disposals / Adjustment	-	-	-	-	-	10.85	32.31	10.51	-	53.67
Balance as at March 31, 2023	-	5,463.32	2,687.45	10,205.00	555.57	392.91	351.53	137.68	-	19,793.46
Additions for the Year	-	-	76.90	2,353.66	85.39	50.86	145.20	66.27	126.84	2,905.12
Reclassification from investment property	377.82	-	-	-	-	-	-	-	-	2,213.16
Disposals / Adjustment	-	-	1,835.34	-	7.50	5.98	2.75	12.87	-	29.10
Balance as at March 31, 2024	377.82	5,463.32	4,599.69	12,558.66	633.46	437.79	493.98	191.08	126.84	24,882.64
Depreciation										
Balance as at April 01, 2022	-	487.02	522.64	2,751.28	126.04	255.30	122.26	66.32	-	4,330.86
Depreciation for the Year	-	81.17	100.76	657.68	34.44	40.35	43.30	24.58	-	982.28
Disposals / Adjustment	-	-	-	-	-	6.85	27.49	8.87	-	43.21
Balance as at March 31, 2023	-	568.19	623.40	3,408.96	160.48	288.80	138.07	82.03	-	5,269.93
Depreciation for the Year	-	81.17	124.94	792.46	54.96	37.53	82.96	39.66	8.80	1,222.48
Reclassification from investment property	-	-	583.91	-	-	-	-	-	-	583.91
Disposals / Adjustment	-	-	-	-	0.71	5.41	2.06	3.31	-	11.49
Balance as at March 31, 2024	-	649.36	1,332.25	4,201.42	214.73	320.92	218.97	118.38	8.80	7,064.83
Net Carrying Value										
Balance as at March 31, 2023	-	4,895.13	2,064.05	6,796.04	395.09	104.11	213.46	55.65	-	14,523.53
Balance as at March 31, 2024	377.82	4,813.96	3,267.44	8,357.24	418.73	116.87	275.01	72.70	118.04	17,817.81

2.1 Property, Plant and Equipment include assets pledged / hypothecated as security (Refer note no. 19 and 23).

2.2 Vehicles, having carrying value of ₹ 55.29 lakhs (March 31, 2023 : ₹ 85.69 lakhs), are registered in the name of the Directors or erstwhile Directors of the Company or of entities that has since been amalgamated with the Company in pursuance to the scheme of amalgamation.

2.3 Refer Note No. 36 (B) for contractual commitments for the acquisition of Property, Plant and Equipments.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 2 Property, Plant and Equipment (Contd..)

2.4 Capital Work in Progress includes

Particulars	As at March 31, 2024	As at March 31, 2023
Building under Construction	52.58	9.38
Plant and Machinery	334.81	442.51
Others	58.41	-
Total	445.80	451.89

2.5 Capital Work In Progress ageing schedule as at March 31, 2024 is as follows:

Particulars	Amount in Capital Work in Progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	398.52	-	47.28	-	445.80
Project temporarily suspended	-	-	-	-	-
Total	398.52	-	47.28	-	445.80

Capital Work In Progress ageing schedule as at March 31, 2023 is as follows:

Particulars	Amount in Capital Work in Progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	404.61	47.28	-	-	451.89
Project temporarily suspended	-	-	-	-	-
Total	404.61	47.28	-	-	451.89

2.6 The Group does not have any Capital work in progress, whose completion is overdue or exceeded its cost compared to its original plan.

2.7 Building includes cost of shares in Co-operative society of ₹ 750 (March 31, 2023: ₹ 750).

2.8 In accordance with the Indian Accounting Standards -36 on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Ind AS. On the basis of the review carried out by the management, there was no impairment loss on Property, Plant, and Equipment during the year ended March 31, 2024.

Note: 3 Investment property

Particulars	Land	Buildings	Total
Costs:			
As at April 01, 2022	377.82	1,835.34	2,213.16
Additions for the year	-	-	-
As at March 31, 2023	377.82	1,835.34	2,213.16
Reclassified to property, plant and equipment	377.82	1,835.34	2,213.16
As at March 31, 2024	-	-	-
Depreciation			
As at April 01, 2022	-	429.96	429.96
Depreciation for the year	-	85.98	85.98
As at March 31, 2023	-	515.94	515.94
Depreciation for the year	-	67.97	67.97
Reclassified to property, plant and equipment	-	583.91	583.91
As at March 31, 2024	-	-	-
Net Carrying Value			
Balance as at March 31, 2023	377.82	1,319.40	1,697.22
Balance as at March 31, 2024	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 3 Investment property (Contd..)

3.1 The Company's Investment Properties as at March 31, 2023 consist of Land and Building

3.2 Income / (Loss) from Investment Properties generating Rental Income

Particulars	As at	
	March 31, 2024	March 31, 2023
Rental Income derived from investment properties	-	40.00
Direct Expenses	-	-
Income arising from investment properties before depreciation	-	40.00
Depreciation	-	(85.98)
Loss from Investment properties (Net)	-	(45.98)

3.3 Leasing arrangements

During the year, the Holding company has entered into lease rent agreement on January 15, 2024 with one of its subsidiary company Mechtech Thermal Private Limited and for the purpose of consolidation the same investment property is reclassified to property, plant and equipment as per IND AS- 40 Investment Property.

Note: 4 Intangible Assets

Particulars	Computer Software*	Process Technology / Technical know- How*	TOTAL
Balance as at April 01, 2022	25.60	309.14	334.74
Additions for the Year	50.35	-	50.35
Balance as at March 31, 2023	75.95	309.14	385.09
Additions for the Year	65.38	-	65.38
Balance as at March 31, 2024	141.33	309.14	450.47
Amortisation			
Balance as at April 01, 2022	10.84	227.09	237.93
Amortisation charge for the Year	7.46	51.52	58.98
Balance as at March 31, 2023	18.30	278.61	296.91
Amortisation charge for the Year	17.64	28.06	45.70
Balance as at March 31, 2024	35.94	306.67	342.61
Net Carrying Amount			
Balance As at March 31, 2023	57.65	30.53	88.18
Balance As at March 31, 2024	105.39	2.47	107.86

* Other than self generated

Note: 5 Non Current Investment

Particulars	Number of Shares		Face Value	As at	
	March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023
(Unquoted, Fully Paid Up)					
A. Investment in Equity Instruments					
i) Associate Companies (Carried at Cost)					
Krasny Paras Defence Technologies Private Limited	5,22,500	5,22,500	10	34.32	38.70
Controp Paras Technologies Private Limited	3,000	-	10	0.00	-
ii) Others (Carried at fair value through Profit & Loss)					
NKGSB Co- Operative Bank Limited	2,84,550	2,70,500	10	28.46	27.01
Highlander Aviation Limited	87,953	87,953	NIS 0.01	993.03	784.88
FFS Industries Private Limited	9,90,000	-	10	1,158.30	-
Hindustan Agri Drones and SpaceX Limited	1	1	10	0.00	0.00

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 5 Non Current Investment (Contd..)

Particulars	Number of Shares		Face Value	As at	As at
	March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023
B. Investment in 0.01% Optionally Convertible Preference Shares					
(Carried at fair value through Profit & Loss)					
FFS Industries Private Limited	-	2,87,838	100	-	300.00
Total				2,214.11	1,150.59

Particulars	As at March 31, 2024	As at March 31, 2023
Aggregate Amount of Unquoted Investments	2,214.11	1,150.59
Aggregate Amount of Quoted Investments and Market Value	-	-
Investments Carried at fair value through Profit and Loss	2,179.79	1,111.89
Investment Carried at Cost	34.32	38.70

Note: 6. Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, Considered Good	51.27	43.96
Total	51.27	43.96

6.1 For ageing of Non current Trade Receivables refer Note no. 11.2

Note: 7. Other Non-current Financial Assets- Loans

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, Considered Good)		
Loans to Employees	3.39	1.59
Total	3.39	1.59

Note: 8. Other Non-current Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed Deposits with Banks held as Margin Money	1,966.18	1,171.88
Total	1,966.18	1,171.88

Note: 9. Other Non-current Assets

Particulars	As at March 31, 2024	As at March 31, 2023
(unsecured)		
Capital Advances		
- Considered Good	471.55	682.06
- Considered Doubtful	13.20	-
	484.75	682.06

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 9. Other Non-current Assets (Contd..)

Particulars	As at March 31, 2024	As at March 31, 2023
Less: Provision for Doubtful Advances	13.20	-
	471.55	682.06
Prepaid Expenses	60.06	42.64
Security Deposits	75.51	43.66
Total	607.12	768.36

Note: 10 Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials	5,717.05	3,313.60
Raw Materials In Transit	2.19	48.62
Work-in-Progress	8,271.27	5,694.87
Finished Goods	413.67	12.77
Finished Goods In Transit	109.50	-
Stores, Spares and Consumables	259.43	269.24
Stock in Trade	173.14	-
Stock in Trade in Transit	74.41	-
Total	15,020.66	9,339.10

10.1 For basis of valuation Refer Accounting Policy refer Note No. 1.4 (E)

10.2 For Inventories hypothecated as security refer Note No 19 and 23

Note: 11 Trade Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured)		
Considered Good	20,456.89	15,736.40
Significant Increase in Credit Risk	787.15	177.97
Credit Impaired	91.77	37.82
	21,335.81	15,952.19
Less: Provision for Expected Credit Loss	1,449.85	927.24
Less: Provision for credit impaired	91.77	37.82
Total	19,794.19	14,987.13

11.1 For Hypothecated as security refer Note No. 19 and 23

11.2 Trade Receivables Ageing Schedules (Non current and Current Trade Receivables) as at March 31, 2024 and March 31, 2023 are as below :-

As at March 31, 2024

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 Months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	4,984.28	7,762.17	1,691.06	4,958.87	1,111.78	-	20,508.16
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	218.40	1.96	107.46	459.33	787.15
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	91.77	91.77

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 11 Trade Receivables (Contd..)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 Months to 1 year	1-2 years	2-3 years	More than 3 years	
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Sub Total	4,984.28	7,762.17	1,909.46	4,960.83	1,219.24	551.10	21,387.08
Less: Provision for Expected Credit Loss	-	-	-	-	-	-	1,449.85
Less: Provision for Credit Impaired	-	-	-	-	-	91.77	91.77
Total							19,845.46

As at March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 Months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	1,606.86	7,126.04	4,853.93	1,652.93	540.60	-	15,780.36
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	1.25	27.68	149.04	177.97
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	37.82	37.82
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Sub Total	1,606.86	7,126.04	4,853.93	1,654.18	568.28	186.86	15,996.15
Less: Provision for Expected Credit Loss	-	-	-	-	-	-	927.24
Less: Provision for Credit Impaired	-	-	-	-	-	37.82	37.82
Total							15,031.09

Note: 12 Cash and Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and Cash Equivalents		
Balances with Banks in Current Accounts/ Cash Credit Account	286.16	1,695.27
Cash in hand	12.01	10.46
Cheque in Hand	-	5.00
Total	298.17	1,710.73

12.1 For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents comprise the following:

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Banks in Current Accounts/ Cash Credit Account	286.16	1,695.27
Cash on hand	12.01	10.46
Cheque in Hand	-	5.00
Total	298.17	1,710.73

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 13 Bank Balances Other Than Cash And Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Bank in Monitoring Agency & Escrow Account	0.16	453.79
Fixed Deposits with Bank*	-	1,500.00
Fixed Deposits with Banks Pledged as Margin Money	842.73	363.04
Total	842.89	2,316.83

*Temporary deposits of IPO Proceeds

Note: 14 Loans

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, Considered Good)		
Intercompany Deposits		
- Related Party (Refer Note No. 14.1 and 37)	280.00	-
- Others (Refer Note No. 14.1)	100.00	1,130.00
Loans to Employees	15.93	14.61
Total	395.93	1,144.61

14.1 Above Inter Corporate Deposits are given for Working Capital Requirements

Note: 15. Other Current Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, Considered Good)		
Interest Receivables	35.68	15.23
Security Deposits	52.49	33.88
Other Receivables	31.96	1.83
Total	120.13	50.94

Note: 16 Other Current Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Advances to Suppliers, Considered Good	2,708.03	1,548.07
Balances with Government Authorities	717.48	210.30
Export Incentive Receivables	5.19	10.99
Prepaid Expenses	198.88	187.22
Others *	1.34	2.26
Total	3,630.92	1,958.84

* Others includes Export scripts in hand

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 17 Equity Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
6,05,00,000 (March 31, 2023 : 6,05,00,000) Equity Shares of ₹ 10/- each.	6,050.00	6,050.00
	6,050.00	6,050.00
Issued, Subscribed and Paid up		
3,90,00,061 (March 31, 2023 : 3,90,00,061) Equity Shares of ₹ 10/- each fully paid up	3,900.00	3,900.00
Total	3,900.00	3,900.00

17.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning and end of the year	3,90,00,061	3,900.00	3,90,00,061	3,900.00

17.2 The Holding Company had raised ₹ 17,077.85 Lakhs through Initial Public Offer (IPO) in the Financial Year 2021-22. As on March 31, 2024, the Company has utilized ₹ 17,077.85 Lakhs for the purpose for which it has been raised and as on March 31, 2024 there was no unspent amount.

17.3 Details of Shareholders holding more than 5% shares of the Company:

Name of Shareholders	As at March 31, 2024		As at March 31, 2023	
	No of Shares held	Percentage held	No of Shares held	Percentage held
Mr. Munjal Sharad Shah	98,58,137	25.28%	98,58,137	25.28%
Mr. Sharad Virji Shah	72,74,840	18.65%	72,74,840	18.65%

17.4 Details of shares held by promoters and promotor group in the Company.

Name of Shareholders	As at March 31, 2024		As at March 31, 2023		% Changes From March 31, 2023 to March 31, 2024
	No of Shares held	Percentage held	No of Shares held	Percentage held	
Mr. Munjal Sharad Shah	98,58,137	25.28%	98,58,137	25.28%	0.00%
Mr. Sharad Virji Shah	72,74,840	18.65%	72,74,840	18.65%	0.00%
Mrs. Ami Munjal Shah	10,13,008	2.60%	10,13,008	2.60%	0.00%
Mr. Anish Hemant Mehta	14,20,630	3.64%	14,20,630	3.64%	0.00%
Mrs. Kaajal Harsh Bhansali	14,20,630	3.64%	14,20,630	3.64%	0.00%
Ms. Anushka Munjal Shah	10,00,000	2.56%	10,00,000	2.56%	0.00%
Ms. Jiwanshi Munjal Shah	10,00,000	2.56%	10,00,000	2.56%	0.00%
Mrs. Niranjana Sharad Shah	5	0.00%	5	0.00%	0.00%

17.5 Rights of Equity Shareholders

The Holding Company has only one class of equity shares having a face value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Holding Company, the equity shareholders will be entitled to receive any of remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 18 Other Equity

Particulars	As at March 31, 2024		As at March 31, 2023	
Capital Reserve				
Balance as per last Balance Sheet		(808.36)		(808.36)
Securities Premium				
Balance as per last Balance Sheet	17,799.78		17,835.17	
Less: Reversal of Deferred Tax (IPO related Expenses)	(35.39)		(35.39)	
		17,764.39		17,799.78
Revaluation Reserve				
Balance as per last Balance Sheet		4,183.09		4,183.09
General Reserve				
Balance as per last Balance Sheet		11.92		11.92
Retained Earnings				
Balance as per last Balance Sheet	16,193.38		12,648.56	
Add: Share In Non Controlling Interest	-		(61.04)	
Add: Profit after tax for the Year	3,206.01		3,605.86	
		19,399.39		16,193.38
Other Comprehensive Income (OCI)				
Balance as per last Balance Sheet	45.16		45.16	
Add: Movement in OCI (Net) during the Year	(34.18)		-	
		10.98		45.16
Total		40,561.41		37,424.97

Note No. 18.1 Nature And Purpose Of Reserves

Capital Reserves

The Capital Reserve was created pursuant to the scheme of amalgamation of Mechvac India Limited and Concept Shapers & Electronics Private Limited. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

Securities Premium

Securities Premium was created when shares were issued at premium. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

Revaluation Reserve

Revaluation Reserve was created for revaluation of Land and Building. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

General Reserve

The General Reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.

Retained Earnings

Retained Earnings represent the accumulated Profits / (losses) made by the group over the years.

Other Comprehensive Income

Other Comprehensive Income (OCI) represents the amount recognised in other equity consequent to remeasurement of Defined Benefit Plan and Foreign Currency Translation Reserve.

Note: 19 Non Current Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
Term Loan		
- From a Bank	143.22	94.58
Total	143.22	94.58

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 19 Non Current Borrowings (Contd..)

19.1 The term loan from bank includes:

- Vehicle Loan of ₹ 27.54 lakhs (March 31, 2023 : ₹ NIL) and ₹ 4.98 lakhs (March 31, 2023 : ₹NIL) included in current maturity of Long Term Debts in Note No. 23 taken by Holding Company against lien on respective vehicles and loan are repayable in 60 to 84 monthly installment and carry interest rate varying from 8.15% p.a to 8.50% p.a.
- Vehicle loan of ₹ 6.64 lakhs (March 31, 2023: ₹ Nil) and ₹ 1.71 lakhs (March 31, 2023 : ₹NIL) included in current maturity of long Term Debts in Note No. 23 taken by Subsidiary Company is secured against lien on respective vehicle and is repayable in 51 Equal Monthly Installment ending on 07th June 2028 carrying an interest rate @ 8.40 % p.a.
- Term loan of ₹109.04 Lakhs (31st March, 2023 : 94.58 Lakhs) and ₹ 30.22 lakhs (March 31, 2023 : ₹20.53 Lakhs) included in current maturity of long Term Debts in Note No. 23 taken by subsidiary company is secured by Hypothecation Charge on Property, Plant and Equipment of the Company and further secured by collateral security of Fixed Deposits and is guaranteed by Directors in their personal capacity. Out of the above Term loan of ₹ 44.18 Lakhs is repayable in 54 equal monthly installment ending on 13th September 2028 carrying an interest rate @ 9.90% p.a, Term Loan of ₹95.08 Lakhs is repayable in 45 equal monthly Installment ending on 31st December 2027 carrying an interest rate @ 9.90% p.a

Maturity profile of Term Loans is as under:

Financial Year	Amount
2024-25	36.91
2025-26	40.62
2026-27	44.70
2027-28	41.52
2028-29	11.75
2029-30	3.93
2030-31	0.70

Note: 20 Lease Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities:		
Non-current	85.13	-
Current	34.48	-
Total	119.61	-

20.1 The balance sheet shows the following amounts relating to leases:

Particulars	As at March 31, 2024	As at March 31, 2023
Right-of-use assets (included in PPE):		
Office Premises	118.04	-
Total	118.04	-

Additions to the Right-of-Use assets during the year ended March 31, 2024 were ₹ 126.84 Lakhs (March 31,2023: ₹ NIL).

20.2 Amounts recognized in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
Depreciation charge of right-of-use assets			
Office Premises	2	8.80	-
Total		8.80	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 20 Lease Liabilities (Contd..)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
Interest expense (included in finance costs)	32	2.72	-
Expense relating to short-term leases (included in other expenses)	34	86.74	-

The cash outflow for the leases for the year ended March 31, 2024 was ₹ NIL (March 31, 2023 : ₹ NIL)

20.3 The following is the movement in lease liabilities during the year :

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	-	-
Addition during the year	116.89	-
Finance cost accrued during the year	2.72	-
Payment of lease liabilities	-	-
Closing Balance	119.61	-

20.4 The following is the contractual maturity profile of lease liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	44.28	-
One year to five years	92.80	-
More than five years	-	-
Closing Balance	137.08	-

20.5 Lease liabilities carry an effective interest rate of 9.25% p.a. The lease terms is for a period 5 years.

Note: 21 Non-Current Provision

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Gratuity (Refer Note No. 31.1)	303.57	200.41
Total	303.57	200.41

Note: 22 Income Tax

22.1 Current Tax

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Tax	1,256.79	1,185.41
Income Tax for Earlier Years	(110.41)	(64.74)
Total	1,146.38	1,120.67

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 22 Income Tax (Contd..)

22.2 The major components of Tax Expense for the year ended March 31, 2024 & March 31, 2023 are as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Recognised in the Consolidated Statement of Profit and Loss		
Current Tax (Refer Note No. 22.1)	1,146.38	1,120.67
Deferred Tax:-Relating to origination and reversal of temporary differences	(103.32)	(30.21)
Total	1,043.06	1,090.46

22.3 Reconciliation between Tax Expense and Accounting Profit multiplied by tax rate for the year ended March 31, 2024 & March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting Profit Before Tax	4,046.85	4,684.50
Applicable tax rate (in %)	25.17%	25.17%
Computed Tax Expenses	1,018.51	1,178.99
Tax effect on account of:		
Property, Plant and Equipment, Intangible Assets and Assets Held for Sale	37.11	(33.21)
Expenses not allowed under Income Tax Act	31.86	40.93
Deduction allowed under Income Tax Act	(38.41)	(36.85)
Brought Forward Loss adjusted in case of Indian Subsidiaries	-	(3.68)
Current Year Loss adjusted in case of Subsidiaries and Associates Companies	124.71	-
Others	(20.31)	9.03
Income Tax for Earlier Years	(110.41)	(64.74)
Income tax Expenses recognised in the Consolidated Statement of Profit and Loss	1,043.06	1,090.46

22.4 Deferred Tax Liabilities relates to the following :

Particulars	Balance Sheet			Statement of Profit and Loss & Other Equity	
	As at March 31, 2024	As at March 31, 2023	Pursuant to the acquisition of Subsidiary Company	For the year ended March 31, 2024	For the year ended March 31, 2023
Property, Plant and Equipment, Intangible Assets, Assets Held for Sale and Investment Property	2,419.28	2,418.05	(0.52)	1.23	(86.17)
Financial Instrument-assets	(122.89)	(116.88)	-	(6.01)	72.73
Lease Liabilities	(30.10)	-	-	(30.10)	-
IPO issue expenses	(70.76)	(106.15)	-	35.39	35.39
Items disallowed as per Income Tax Act, 1961	(155.49)	(76.27)	-	(79.22)	(15.25)
Deferred Tax Liabilities / (Assets)	2,040.04	2,118.75	(0.52)	(78.71)	6.70

22.5 Deferred Tax Assets relates to the following :

Particulars	Balance Sheet		Statement of Profit and Loss	
	As at March 31, 2024	As at March 31, 2023	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Property, Plant and Equipment and Intangible Assets	(1.65)	3.74	(5.39)	3.48
Items disallowed as per Income Tax Act, 1961	6.52	0.09	6.43	0.09
Unabsorbed Depreciation	0.38	-	0.38	-
Deferred Tax Assets	5.25	3.83	1.42	3.57

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 22 Income Tax (Contd..)

22.6 Reconciliation of Deferred Tax Liabilities (Net):

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance at the beginning of the year	2,114.92	2,112.31
Pursuant to the acquisition of Subsidiary Company	-	(0.52)
Deferred Tax Expenses/(Income) recognised in the Consolidated Statement of Profit and Loss	(103.32)	(30.21)
Deferred Tax Expenses/(Income) recognised in OCI	(12.20)	(2.05)
Deferred Tax Expenses/(Income) recognised in Securities Premium	35.39	35.39
Closing Balance at the end of the year	2,034.79	2,114.92

Note: 23 Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
Working Capital Rupee Loans from Banks	5,659.18	721.92
Current Maturities of Long Term Debts	36.91	20.53
Unsecured		
Loans From Related Parties (Refer Note No. 37)	9.35	15.10
Other Loan	612.10	609.98
Total	6,317.54	1,367.53

23.1 The working capital Loans from banks includes:

- (i) ₹ 1,385.15 lakhs (March 31, 2023: ₹ NIL) taken by Holding Company, secured by way of hypothecation of stocks & book-debts and further secured by collateral mortgage of 1) Plot no. 108 A, survey no. 261, IDA, Cherlapally, Dist. Ranga reddy, Hyderabad-500062. 2) Plot no. D112, TTC Industrial Area, MIDC, Shiravane, Nerul, Navi Mumbai 400076, 3) Penthouse No. 11, 13th & 14th floors, A Wing, Maruti Paradise, Sector No. 15 at CBD Belapur, Navi Mumbai - 400614 owned by Mr Munjal Shah and 4) Plot no. M-6, MIDC, Additional Ambernath Industrial Area, Ambernath-421506, Maharashtra, India. The above loans carries interest rate @ ROI @PLR i.e 9.75%.
- (ii) ₹ 1,782.86 (March 31, 2023: NIL) taken by Holding Company, secured by Pari Passu Charge on all existing and future current assets and movable fixed assets and Collateral mortgage of 1) Plot no. 108 A, survey no. 261, IDA, Cherlapally, Dist. Ranga reddy, Hyderabad-500062. 2) Plot no. D112, TTC Industrial Area, MIDC, Shiravane, Nerul, Navi Mumbai 400076, 3) Penthouse No. 11, 13th & 14th floors, A Wing, Maruti Paradise, Sector No. 15 at CBD Belapur, Navi Mumbai - 400614 owned by Mr Munjal Shah and 4) Plot no. M-6, MIDC, Additional Ambernath Industrial Area, Ambernath-421506, Maharashtra, India. The above loans carries interest rate @ 3m MCLR + 2.4% p.a
- (iii) ₹ 188.27 lakhs (March 31, 2023: ₹ NIL) taken by Holding Company, secured by Pari Passu Charge on all existing and future current assets and movable fixed assets and Collateral mortgage of 1) Plot no. 108 A, survey no. 261, IDA, Cherlapally, Dist. Ranga reddy, Hyderabad-500062. 2) Plot no. D112, TTC Industrial Area, MIDC, Shiravane, Nerul, Navi Mumbai 400076 and 3) Plot no. M-6, MIDC, Additional Ambernath Industrial Area, Ambernath-421506, Maharashtra, India. The above loans carries interest rate @ Repo rate plus spread 2.65% p.a.
- (iv) ₹ 2,055.88 Lakhs (31st March 2023: ₹ 721.92 Lakhs) taken by Subsidiary company and is secured by all existing and future current assets of the Company and Movable Fixed Assets situated at Navi Mumbai and further secured by lien on Fixed Deposits and are guaranteed by directors in their personal capacity. The above loans carries interest rate @ MCLR+/- 0.65 and PLR-6.60%.
- (v) The Bank Overdraft of ₹ 247.02 Lakhs (31st March 2023: ₹ Nil) taken by Subsidiary company and is secured by hypothecation of all existing and future current assets of the Company and Property, Plant and Equipment and further secured by lien on Fixed Deposits and are guaranteed by directors in their personal capacity and Corporate Guarantee given by Paras defence and space technologies limited (holding Company). The above loans carries interest rate @ 12% p.a.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 23 Current Financial Liabilities - Borrowings (Contd..)

23.2 The working capital facility of subsidiary company referred to above is guaranteed by directors in their personal capacity.

23.3 Unsecured borrowings are interest free and repayable on demand.

Note: 24 Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Micro, Small and Medium Enterprises	1,163.42	300.90
Others	4,934.65	2,310.97
Total	6,098.07	2,611.87

24.1 Disclosures of the Micro, Small And Medium Enterprises Development Act, 2006

Micro, Small and Medium Enterprises (MSME) under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information as available with the Company and the required disclosures are given below :

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,163.42	300.90
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	15.58	13.84
(iii) The amount of Interest paid, along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of Interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	15.58	13.84
(vi) The amount of Further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

24.2 Trade Payables Ageing Schedules are as follows:

As at March 31, 2024

Particulars	Not due	Outstanding from due date of payment as at March 31, 2024				Total
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	
MSME	710.07	452.10	1.16	0.09	-	1,163.42
Others	1,459.20	3,168.58	183.19	115.70	7.98	4,934.65
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	2,169.27	3,620.68	184.35	115.79	7.98	6,098.07

As at March 31, 2023

Particulars	Not due	Outstanding from due date of payment as at March 31, 2023				Total
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	
MSME	127.26	168.11	4.42	1.11	-	300.90
Others	1,037.88	1,153.93	71.05	42.94	5.17	2,310.97
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	1,165.14	1,322.04	75.47	44.05	5.17	2,611.87

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 25 Other Current Financial Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Interest Accrued and due	15.60	13.84
Interest Accrued but not due	69.32	64.27
Creditors for Capital Goods	152.91	113.44
Security Deposit	1.55	1.25
Other Payables *	366.76	290.42
Total	606.14	483.22

* Other Payables mainly includes outstanding liability for expenses and payable to employees.

Note: 26 Other Current Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Advances from Customers	2,994.75	2,955.49
Statutory Liabilities	76.37	64.10
Unearned Revenue	83.26	-
Total	3,154.38	3,019.59

Note: 27 Current Provision

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Gratuity (Refer Note No. 31.1)	15.00	25.00
Total	15.00	25.00

Note: 28 Revenue From Operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of Products	22,480.82	21,342.05
Sale of Services / Job Work Income	2,864.77	732.70
Other Operating revenue	4.23	167.84
Total	25,349.82	22,242.59

28.1 Revenue Disaggregation by type of Products and Services as follows :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Optics and Optronics Systems	6,939.18	10,553.94
Defence Engineering	18,410.64	11,688.65
Total	25,349.82	22,242.59

28.2 Revenue disaggregation by geography is as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
India	21,768.69	18,726.94
Outside India	3,581.13	3,515.65
Total	25,349.82	22,242.59

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 28 Revenue From Operations (Contd..)

28.3 Contract balances

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Trade Receivables	19,845.46	1,559.04
Contract Liabilities (Refer Note No. 26)	2,994.75	2,955.49
Unearned Revenue (Refer Note No. 26)	83.26	-
Total	22,923.47	4,514.53

28.4 The amount of ₹ 2705.36 lakhs is the revenue recognised from contract liabilities. Increase/(decrease) in contract liability is mainly on account of advance receipt from customers and revenue recognized during the year.

28.5 Reconciliation of Revenue from Operations with Contract Price:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contract Price	25,356.20	22,248.58
Reduction towards variable considerations components *	6.38	5.99
Total	25,349.82	22,242.59

*Reduction towards variable considerations comprises components of volume discounts

28.6 Transaction price allocated to the remaining performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of March 31, 2024 amounts to ₹ 1,988.12 Lakhs (March 31, 2023 : Nil).

28.7 The management of the Group expects that above unsatisfied performance obligation will be fully recognised as revenue during the next reporting year.

Note: 29 Other Income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Dividend Income from Non Current Investment	0.37	0.70
Interest Income from Financial assets measured at amortised cost		
- Fixed Deposits with Banks	173.07	150.86
- Interest on loans	146.08	129.50
- Others	4.23	12.18
Rent Income	5.94	51.56
Export Incentives	14.40	32.45
Gain on Financial Instruments measured at fair value through profit or loss	475.46	442.30
Profit on sale/ discard of Property, Plant and Equipment	1.21	-
Miscellaneous Income	6.41	2.88
Total	827.17	822.43

Note: 30 Changes In Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Closing Inventories		
Finished Goods	413.67	12.77
Finished Goods-in Transit	109.50	-
Stock in Trade	173.14	-
Stock in Trade in Transit	74.41	-
Work-in-Progress	8,271.27	5,694.87
	9,041.99	5,707.64

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 30 Changes In Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade (Contd..)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Inventories		
Finished Goods	12.77	95.17
Work-in-Progress	5,694.87	4,465.17
	5,707.64	4,560.34
Increase in Inventories	(3,334.35)	(1,147.30)

Note: 31 Employee Benefits Expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, Wages & Allowances	2,885.60	2,053.77
Contribution to Provident and Other Funds	88.53	53.66
Welfare and Other Amenities	115.74	79.63
Total	3,089.87	2,187.06

31.1 As per Ind AS - 19 "Employee Benefits", the disclosures of Employee Benefits as defined in the Ind AS are given below :

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
(a) Contribution to Defined Contribution Plan, recognised as expense for the year are as under		
Employer's Contribution to Provident Fund and ESIC	33.57	23.01

(b) Defined Benefit Plan -

Funded - Holding Company

The employees' Gratuity Fund is managed by the Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Unfunded - One of the Subsidiary Company

The employees Gratuity Fund Scheme of the Company is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Particulars	As at March 31, 2024	As at March 31, 2023
Actuarial Assumptions		
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult
Salary growth	9.00%	9.00%
Discount rate	7.19%	7.39%
Withdrawal Rate	11.00%	11.00%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 31 Employee Benefits Expense (Contd..)

Particulars	As at March 31, 2024	As at March 31, 2023
Movement in present value of Defined Benefit Obligation		
Defined Benefit Obligations at the beginning of the year	250.51	153.99
Current Service Cost	37.97	19.37
Interest Cost	18.52	10.53
Actuarial Loss	48.47	8.13
Benefits Paid	(4.96)	(3.63)
Liability Transferred In/ Acquisitions	-	62.12
Defined Benefit Obligations at the end of the year	350.51	250.51
Movement in present value of plan assets		
Fair value at the beginning of the year	25.10	-
Employer Contribution	9.93	25.10
Interest Income	1.85	-
Benefits Paid	(4.96)	-
Return on Plan Assets, Excluding Interest Income	0.02	-
Fair value at the end of the year	31.94	25.10
Expense recognised in the Statement of Profit and Loss		
Current Service Cost	35.98	19.37
Interest on Defined Benefit Obligations	16.67	10.53
Total included in "Remuneration and Benefits to Employees"	52.65	29.90
Amount recognised in Other Comprehensive Income		
Components of Actuarial (gain)/loss on obligations		
Due to changes in financial assumptions	3.97	(8.68)
Due to changes in demographic assumptions	-	-
Due to experience adjustments	44.50	16.81
Total	48.47	8.13

(c) Fair Value of assets

Particulars	As at March 31, 2024	As at March 31, 2023
Life Insurance Corporation of India	31.94	25.10

(d) Net Liability recognised in balance sheet

Particulars	As at March 31, 2024	As at March 31, 2023
Present Value of Obligations at the end of the year	350.51	250.51
Less : Fair Value of Plan Assets at the end of the year	31.94	25.10
Net Liability recognised in balance sheet	318.57	225.41

- (e) The estimate of rate of escalation in Salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other retirement factors including supply and demand in the employment market. The above information is certified by the actuary.

31.2 Sensitivity Analysis

Particulars	Effect on Gratuity Increase / (Decrease)	
	As at March 31, 2024	As at March 31, 2023
Discount Rate + 100 basis points	(19.33)	(14.40)
Discount Rate - 100 basis points	21.52	16.09
Salary Escalation Rate + 100 basis points	17.94	15.76

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 31 Employee Benefits Expense (Contd..)

Particulars	Effect on Gratuity Increase / (Decrease)	
	As at March 31, 2024	As at March 31, 2023
Salary Escalation Rate -100 basis points	(16.42)	(14.23)
Withdrawal Rate +100 basis points	(1.74)	(2.29)
Withdrawal Rate -100 basis points	1.90	2.51

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the Projected Unit Credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

31.3 Expected payments towards contributions to Gratuity in future years :

Year Ended	Expected Payment
March 31, 2025	53.26
March 31, 2026	40.31
March 31, 2027	36.53
March 31, 2028	33.32
March 31, 2029	33.26
March 31, 2030 and above	407.26

31.4 Risk exposures

These plans typically expose the company to actuarial risks as, Salary Risk, Discount Rate, Employee Turnover rate/Withdrawal rate, Mortality / Disability.

Salary Risk

Salary escalation & attrition rate are considered as advised by the Holding Company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

Discount rate

In case the yield on the government bonds drops in the future period then it may result in increase in the liability.

Employee Turnover rate/Withdrawal rate

If the actual withdrawal rate in the future turns out to be more or less than expected then it may result in increase in the liability.

Mortality / Disability

Maturity Analysis of Benefit Payments is undiscounted cash flows considering future salary, attrition & death in respective year for members as mentioned above.

Details of Asset-Liability Matching Strategy:-

Gratuity benefits liabilities of the Holding Company are Funded. There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Holding Company to fully or partially pre-fund the liabilities under the Plan. The trustees of the plan have outsourced the investment management of the fund to insurance companies which are regulated by IRDA. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

31.5 The average duration of the defined benefit plan obligation at the end of the reporting period is 9.00 years (March 31, 2023 : 9.00 years).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 32 Finance Costs

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest Expenses on Financial Liabilities measured at amortised cost	351.63	498.18
Interest Expenses on Lease Liabilities	2.72	-
Other Borrowing Costs (Refer Note No. 32.1)	189.60	173.50
Total	543.95	671.68

32.1 Above includes, Interest of ₹ 55.34 lakhs (March 31, 2023: ₹ 63.89 Lakhs) on late payment of Advance Tax.

Note: 33 Depreciation and Amortisation Expenses

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Depreciation of Property, Plant and Equipment (Refer Note No. 2)	1,222.48	982.28
Depreciation of Investment Property (Refer Note No. 3)	67.97	85.98
Amortisation of Intangible Assets (Refer Note No. 4)	45.70	58.98
Total	1,336.15	1,127.24

Note: 34 Other Expenses

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
MANUFACTURING EXPENSES		
Consumables, Stores and Spares Consumed	432.17	323.04
Power and Fuel	359.84	328.32
Labour Charges	295.29	278.49
Repairs and Maintenance - Others	196.18	159.80
Job Processing charges	400.74	158.32
Design and Development Charges	122.51	-
Drone Pilot Training Services	129.03	-
Other Manufacturing Expenses	81.15	94.26
	2,016.91	1,342.23
SELLING AND DISTRIBUTION EXPENSES		
Advertisement and Business Promotion	359.06	162.21
Packing & Forwarding Expenses	24.29	25.33
Freight Outward	39.28	36.10
Design & Development Charges	15.04	15.35
	437.67	238.99
ADMINISTRATIVE EXPENSES		
Insurance	41.05	40.22
Rent	86.74	57.94
Rates and Taxes	119.19	549.97
Printing and Stationery	20.50	21.61
Communication Expenses	10.85	8.57
Travelling and Conveyance	562.92	418.84
Legal and Professional Charges	203.87	186.00
Payment to Auditors (Refer Note No. 34.1)	85.35	74.90
Security Expenses	33.40	22.11
Office Expenses	120.88	59.95
Director Sitting fees	24.00	28.00
Postages and Courier	25.96	33.54
Miscellaneous Expenses	146.30	195.64
	1,481.01	1,697.29

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 34 Other Expenses (Contd..)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
OTHER EXPENSES		
Bank Charges	246.15	103.32
Bad Debts / Advances written off (Net)	147.96	91.20
Provision / (Reversal) for Credit Impaired	53.95	(10.35)
Provision for Expected Credit Loss	522.45	163.58
Provision for Doubtful Advances	13.20	-
Donation	50.75	12.81
Corporate Social Responsibility Expenditure (Refer Note No. 38)	69.00	61.25
Loss on sale/ discard of Assets (Net)	-	6.31
Loss on Foreign Currency Fluctuations (Net)	10.94	36.47
Late Delivery charges	46.00	102.06
	1,160.40	566.65
Total	5,095.99	3,845.16

34.1 Break-up of Payment to Auditors :

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
For Statutory Audit	45.75	43.77
For Quarterly Review Fees	24.00	17.50
For Tax Audit	11.00	9.00
For Certification charges	4.00	4.20
For Reimbursement of Expenses	0.60	0.43
Total	85.35	74.90

Note: 35 Earnings Per Share

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Basic Earnings Per Share		
Profit for the Year	3,206.01	3,605.86
Weighted average number of Equity Shares (Nos.)	3,90,00,061	3,90,00,061
Basic Earnings Per Share of ₹ 10/- each	8.22	9.25
Diluted Earnings Per Share		
Amount available for calculation of Diluted EPS	3,206.01	3,605.86
Weighted average number of Equity Shares (Nos.)	3,90,00,061	3,90,00,061
Add : Potential number of Equity Shares	-	-
No. of shares used for calculation of Diluted EPS	3,90,00,061	3,90,00,061
Diluted Earnings Per Share of ₹ 10/- each	8.22	9.25

Note:36 Contingent Liabilities And Commitments

Particulars	As at March 31, 2024	As at March 31, 2023
A Contingent Liabilities (to the extent not provided for)		
Claims against the Company not acknowledged as debts		
I Disputed Liabilities in Appeal (No Cash outflow is expected in the near future)		
INCOME TAX*	86.44	86.44
GST	15.16	15.16
CUSTOMS ACT	-	16.54

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note:36 Contingent Liabilities And Commitments (Contd..)

Particulars	As at March 31, 2024	As at March 31, 2023
II GUARANTEES		
Guarantees given by the Company's Bankers (Bank guarantees are provided under contractual / legal obligation)	15,357.77	9,999.25
III LETTER OF CREDIT OUTSTANDING		
Letters of Credit opened in favour of Suppliers (Cash flow is expected on receipt of material from suppliers)	755.84	154.60
B Capital Commitments :		
Estimated amount of contracts to be executed on capital account not provided for	1,010.60	834.83
Commitment towards EPCG License	-	296.12

*During the FY 2020-21, Holding Company has received the assessment order u/s 143(3) from the Income Tax department, however since there were errors in the said order, the Company has filed the rectification application under section 154 of the Income Tax Act, 1961, accordingly no contingent liability disclosed for the same.

C Management is of the view that the above litigation will not impact significantly the financial position of the group.

Note: 37 Related Party Disclosures :

In accordance with the requirements of Ind AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reporting year, are as detailed below:

List of Related Parties :

I Associate

- i Krasny Paras Defence Technologies Private Limited
- ii Controp Paras Technologies Private Limited (w.e.f. July 31, 2023)

II Key Managerial Personnel

- i Mr. Sharad Shah (Non-Executive Director)
- ii Mr. Munjal Sharad Shah (Managing Director)
- iii Mrs. Shilpa Amit Mahajan (Whole-time Director)
- iv Mr. Harsh Bhansali (Chief Financial Officer)
- v Mr. Hemalkumar Hirenghai Sagalia (till December 13 2023)
- vi Ms. Jajvalya Raghavan (w.e.f. February 09, 2024)
- vii Mr. Ajit Sharma (till December 17, 2022)

III Key Managerial Personnel Relatives

- i Mrs. Ami Munjal Shah
- ii Mrs. Niranjana Shah
- iii Mrs. Kaajal Bhansali
- iv Mr. Anish Mehta
- v Mr. Amit Mahajan

IV Enterprises in which key managerial personnel and their relatives are able to exercise significant influence with whom transactions have taken place during the year :

- i Defspace Technologies Private Limited

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 37 Related Party Disclosures : (Contd..)

A. Transactions with Related Parties :

Nature of Transactions	Name of the Related Parties	2023-24	2022-23
Transactions with Associates:			
Purchase of Investment	Krasny Paras Defence Technologies Private Limited	-	47.50
	Controp Paras Technologies Private Limited	0.30	-
Lease Rent Deposits Received	Krasny Paras Defence Technologies Private Limited	-	0.75
	Controp Paras Technologies Private Limited	0.30	-
Income - Lease Rent	Krasny Paras Defence Technologies Private Limited	2.64	2.16
	Controp Paras Technologies Private Limited	0.30	-
Reimbursement of expenses on their behalf	Krasny Paras Defence Technologies Private Limited	-	1.20
Transactions with other Related Parties:			
Director Sitting Fees	Mr. Sharad Shah	6.00	6.00
	Mr. Munjal Sharad Shah	84.00	69.00
	Mrs. Shilpa Amit Mahajan	38.36	24.45
Managerial Remuneration	Mr. Harsh Bhansali	48.00	36.83
	Mr. Ajit Sharma	-	10.40
	Mr. Hemalkumar Hirenbbhai Sagalia	12.53	0.15
	Ms. Jajvalya Raghavan	4.34	-
Salary to relatives	Mrs. Kaajal Bhansali	36.00	33.00
	Mrs. Ami Munjal Shah	60.00	41.00
	Mr. Amit Mahajan	48.00	24.86
	Mr. Anish Mehta	36.00	29.18
Rent Expense		6.00	6.00
Loans Taken	Mr. Munjal Sharad Shah	60.25	82.45
Loans Repaid		66.00	72.85
Loans Taken	Mr. Amit Mahajan	-	10.00
Loans Repaid		-	10.00
Income - Lease Rent		3.00	3.00
Purchase of Goods		553.21	-
Intercorporate Deposit taken by the Company		-	100.00
Intercorporate Deposit repaid by Company		-	100.00
Interest on Intercorporate Deposit taken	Defspace Technologies Private Limited	-	1.30
Intercorporate Deposit given		855.00	-
Intercorporate Deposit repaid		575.00	-
Interest on Intercorporate Deposit given		62.79	-

B. Balances with Related Parties:

Name of the Related Parties	As at March 31, 2024	As at March 31, 2023
Balances with Associate Companies:		
Investment		
Krasny Paras Defence Technologies Private Limited	52.25	52.25
Controp Paras Technologies Private Limited	0.30	-
Lease rent receivable		
Krasny Paras Defence Technologies Private Limited	1.77	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 37 Related Party Disclosures : (Contd..)

Name of the Related Parties	As at March 31, 2024	As at March 31, 2023
Security Deposits (Current Financial Liabilities)		
Krasny Paras Defence Technologies Private Limited	0.75	0.75
Controp Paras Technologies Private Limited	0.30	-
Balances with other Related Parties:		
Current-Borrowings - Loan		
Mr. Munjal Sharad Shah	9.35	15.10
Other Payable (Rent Payable)		
Mr. Munjal Sharad Shah	-	0.45
Other Payables (Salary Payable)		
Mr. Munjal Sharad Shah	4.90	-
Mrs. Ami Munjal Shah	3.48	-
Mrs. Shilpa Mahajan	2.21	0.27
Mr. Harsh Bhansali	3.54	-
Mrs. Kaajal Bhansali	2.09	-
Mr. Amit Mahajan	1.04	0.86
Mr. Anish Mehta	4.17	0.07
Mr. Hemalkumar Hirenbbhai Sagalia	-	1.03
Ms. Jajvalya Raghavan	1.51	-
Trade Payable		
Defspace Technologies Private Limited	17.18	-
Advance to Supplier		
Defspace Technologies Private Limited	527.08	-
Security Deposits (Current Financial Liabilities)		
Defspace Technologies Private Limited	0.50	0.50
Intercompany Deposits Given		
Defspace Technologies Private Limited	280.00	-
Interest Receivable		
Defspace Technologies Private Limited	20.70	-

C. Compensation to Key Management Personnel of the Company

Particulars	2023-24	2022-23
Nature of transaction		
Short-term employee benefits	187.23	140.83
Post-employment benefits	22.08	(1.22)
Total compensation to Key Management Personnel	209.31	139.61

Note :38 Expenditure related to Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 read with Schedule VII.

- CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Holding Company during the year is ₹ 66.49 lakhs (March 31, 2023 : ₹ 53.37 lakhs)
- Expenditure incurred related to Corporate Social Responsibility is ₹ 69.00 Lakhs (March 31, 2023 : ₹ 61.25 Lakhs)
- Amount shortfall ₹ Nil (March 31, 2023: ₹ Nil)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note :38 Expenditure related to Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 read with Schedule VII. (Contd..)

Details of Expenditure incurred towards CSR given below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Environmental Sustainability and Animal Welfare	20.00	21.25
Health Care, Sanitation and providing Drinking Water	10.00	40.00
Promoting Education	35.00	-
Reducing inequalities faced by socially and economically backward groups	4.00	-
Total	69.00	61.25

38.1 During the year ended the company has contributed above amount and received certificates / management confirmation stating that unspent amount of ₹ 51.15 lakh will be utilised within 6 months towards objects.

Note: 39 Fair Values

39.1 Financial Instruments by category:

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial assets and liabilities that are recognised in the financial statements.

a) Financial Assets / Liabilities measured at Fair Value:-

Particulars	As at March 31, 2024	As at March 31, 2023
Financial Assets designated at Fair Value through profit and loss:-		
- Investments	2,179.79	1,111.89

b) Financial Assets / Liabilities designated at Amortised Cost:-

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets :				
Financial Assets designated at Amortised Cost:-				
- Trade Receivables	19,845.46	19,845.46	15,031.09	15,031.09
- Cash and cash equivalents	298.17	298.17	1,710.73	1,710.73
- Bank Balance other than Cash and Cash Equivalents	842.89	842.89	2,316.83	2,316.83
- Loans	399.32	399.32	1,146.20	1,146.20
- Others	2,086.31	2,086.31	1,222.82	1,222.82
Total	23,472.15	23,472.15	21,427.67	21,427.67
Financial Liabilities :				
Financial Liabilities designated at Amortised Cost:-				
- Borrowings	6,460.76	6,460.76	1,462.11	1,462.11
- Trade Payable	6,098.07	6,098.07	2,611.87	2,611.87
- Lease Liabilities	119.61	119.61	-	-
- Other Financial Liabilities	606.14	606.14	483.22	483.22
Total	13,284.58	13,284.58	4,557.20	4,557.20

39.2 Fair Valuation techniques used to determine Fair Value

The Group maintains procedures to value its financial assets or financial liabilities using the best and most relevant data available. The Fair Values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 39 Fair Values (Contd..)

The following methods and assumptions were used to estimate the Fair Values:

- i) Fair Value of Cash and Cash Equivalents, Other Bank Balances, Trade Receivable, Trade Payables, Current Loans, Current Borrowings, and other Current Financial Assets and Liabilities are approximate at their carrying amounts largely due to the short-term maturities of these instruments.
- ii) The fair values of Non-Current Borrowings and Margin money are approximate at their carrying amount due to interest bearing features of these instruments.
- iii) The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

39.3 Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:-

- i) **Level 1 :-** Quoted prices / published Net Assets Value (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the Balance Sheet date and financial instruments like mutual funds for which Net Assets Value is published by mutual fund operators at the Balance Sheet date.
- ii) **Level 2 :-** Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Group specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.
- iii) **Level 3 :-** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table provides hierarchy of the fair value measurement of Group's asset and liabilities, grouped into Level 1 (Quoted prices in active markets), Level 2 (Significant observable inputs) and Level 3 (Significant unobservable inputs) as described below:

Particulars	As at March 31, 2024		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through profit and loss:-			
Investments in Equity of Co-operative Bank	-	-	# 28.46
Investment in Equity Shares	-	-	2,151.33

Particulars	As at March 31, 2023		
	Level 1	Level 2	Level 3
Financial Assets			
Financial Assets designated at Fair Value through profit and loss:-			
Investments in Equity of Co-operative Bank	-	-	# 27.01
Investment in Equity Shares	-	-	784.88
Investment in 0.01% Optionally Convertible Preference Shares	-	-	300.00

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 39 Fair Values (Contd..)

Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy as at March 31, 2024 and March 31, 2023

Particulars	As at March 31, 2024	Valuation Technique	Input used
Financial Assets designated at fair value through profit and loss:-			
- Investment in unlisted equity shares	993.03	Based on professional valuer's certificate	Market approach- Comparable Transactions Multiple Method
- Investment in unlisted equity shares	1,158.30	Based on professional valuer's certificate	Enterprises Value/ discounted cash flow

Particulars	As at March 31, 2023	Valuation Technique	Input used
Financial Assets designated at fair value through profit and loss:-			
- Investment in unlisted equity shares	784.88	Based on professional valuer's certificate	Market approach- Comparable Transactions Multiple Method
- Investment in 0.01% Optionally Convertible Preference Shares	300.00	Based on professional valuer's certificate	Enterprises Value/ discounted cash flow

since the investments under level 3 of the fair value hierarchy as at March 31, 2024 and March 31, 2023 category are not material, therefore the disclosure for the same is not given.

NOTE: 40 FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES

The Group is exposed to market risk, credit risk, liquidity risk and competition and price risk. Risk management is carried out by the Group under policies approved by the Respective Board of Directors. This Risk management plan defines how risks associated with the Group will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by respective Company in the Group. The basic objective of risk management plan is to implement an integrated risk management approach to ensure all significant areas of risks are identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussion on risks at all levels of the organization to provide a clear understanding of risk / benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage/optimize key risks. Activities are developed to provide feedback to management and other interested parties (e.g. Audit committee, Board etc.). The results of these activities ensure that risk management plan is effective in the long term.

40.1 Market Risk and Sensitivity:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise two types of risk: foreign currency rate risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

The sensitivity analysis relate to the position as at March 31, 2024 and March 31, 2023

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

NOTE: 40 FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES (Contd..)

(a) Foreign Currency Exchange Risk and Sensitivity

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Group's exposure to the risk of changes in foreign currency exchange rates relates primarily to the Group's operating activities and its Investment. The Group transacts business primarily in USD and Euro. The Group has foreign currency trade payables and receivables and is therefore, exposed to foreign currency exchange risk. The Group regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions.

The following table demonstrates the sensitivity in the USD, GBP, SGD and Euro to the Indian Rupee with all other variables held constant. The impact on the Group's profit before tax (PBT) due to changes in the fair values of monetary assets and liabilities is given below:

Unhedged Foreign currency exposure As at March 31, 2024	Currency	Amount in FC	Amount in INR
Investment	USD	11,91,059	993.03
Trade Receivable	USD	6,72,250	560.48
Trade Receivable	EURO	87,112	78.59
Trade Receivable	GBP	49,950	52.59
Trade Payable	USD	49,83,820	4,155.20
Trade Payable	EURO	66,626	60.11
Trade Payable	GBP	27,951	29.43
Trade Payable	SGD	9,614	5.98

Unhedged Foreign currency exposure As at March 31, 2023	Currency	Amount in FC	Amount in INR
Investment	USD	9,54,642	784.88
Trade Receivable	USD	15,18,432	1,248.41
Trade Receivable	EURO	2,14,422	192.14
Trade Payable	USD	22,01,282	1,809.83
Trade Payable	EURO	1,82,949	163.94
Trade Payable	GBP	23,098	23.53

Foreign Currency Sensitivity

2% increase or decrease in foreign exchange rates will have the following impact on Profit Before Tax (PBT):-

Particulars	2023-24		2022-23	
	2% increase Profit/(Loss)	2% decrease Profit/(Loss)	2% increase Profit/(Loss)	2% decrease Profit/(Loss)
USD	(52.03)	52.03	4.47	(4.47)
EURO	0.37	(0.37)	0.56	(0.56)
GBP	0.46	(0.46)	(0.47)	0.47
SGD	(0.12)	0.12	-	-
(Decrease) / Increase in Profit Before Tax	(51.32)	51.32	4.56	(4.56)

(b) Interest Rate Risk and Sensitivity :-

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is having non current borrowings in the form of term loan and current borrowings in the form of working capital and inter corporate deposits. There is a fixed rate of interest in case of vehicle loan and inter corporate deposits and hence, there is no interest rate risk associated with these borrowings. The Group is exposed to interest rate risk associated with term loan and working capital facility due to floating rate of interest.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

NOTE: 40 FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES (Contd..)

The exposure of the Group's borrowings to interest rate changes at the end of the reporting year are as follows:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Term Loan From Banks and Financial Institutions	139.26	115.11
Working Capital Facility	5,659.18	721.92
Closing Balances	5,798.44	837.03

The table below illustrates the impact of a 2% increase / decrease in interest rates on interest on financial liabilities assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Particulars	2023-24		2022-23	
	2% increase Profit/(Loss)	2% decrease Profit/(Loss)	2% increase Profit/(Loss)	2% decrease Profit/(Loss)
Term Loan From Banks and Financial Institutions	2.79	(2.79)	2.30	(2.30)
Working Capital Facility	113.18	(113.18)	14.44	(14.44)
Decrease / (Increase) in Profit Before Tax	115.97	(115.97)	16.74	(16.74)

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

40.2 Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

a) Trade Receivables:-

The Group measures the expected credit loss of trade receivables, which are subject to credit risk, based on historical trend, industry practices and the business environment in which the entity operates and adjusted for forward looking information. Loss rates are based on actual credit loss experience and past trends.

The Group has used practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix taken into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

The following table summarizes the Gross carrying amount of the trade receivables and provision made.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Trade Receivables	21,387.08	1,541.62	15,996.15	965.06

The following table summarizes the changes in the Provisions made for the receivables:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Opening Balances	965.06	810.94
Provided during the year	576.56	154.12
Reversed during the year	-	-
Closing Balances	1,541.62	965.06

Notes to the Consolidated Financial Statements

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(All amounts in Rupees Lakhs, unless otherwise stated)

NOTE: 40 FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES (Contd..)

b) Financial Instruments and Cash Deposits:-

The Group considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances are maintained. Credit risk from balances with bank is managed by the Group's finance department. Investment of surplus funds are also managed by finance department. The Group does not maintain significant cash in hand. Excess balance of cash other than those required for its day to day operations is deposited into the bank.

For other financial instruments, the finance department assesses and manage credit risk based on internal assessment. Internal assessment is performed for each class of financial instrument with different characteristics.

40.3 Liquidity Risk :

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group relies on short term borrowings and operating cash flows in the form of working capital facility to meet its need for fund. The Group does not breach any covenants wherever applicable on any of its borrowing facilities. The Group has access to a sufficient variety of sources of funding as per requirements.

The below table summaries the maturity profile of the Group's financial liability :

Particulars	Maturity				Total
	On Demand	Less than 1 Year	1 to 5 Years	More than 5 years	
March 31, 2024					
Non current borrowings	-	36.91	138.59	4.63	180.13
Current Borrowings	6,280.63	-	-	-	6,280.63
Trade Payable	-	6,098.07	-	-	6,098.07
Lease Liability	-	34.48	85.13	-	119.61
Other Financial Liabilities	-	606.14	-	-	606.14
Total	6,280.63	6,775.60	223.72	4.63	13,284.58
March 31, 2023					
Non current borrowings	-	20.53	94.58	-	115.11
Current Borrowings	1,347.00	-	-	-	1,347.00
Trade Payable	-	2,611.87	-	-	2,611.87
Other Financial Liabilities	-	483.22	-	-	483.22
Total	1,347.00	3,115.62	94.58	-	4,557.20

40.4 Competition and Price Risk

The Group faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

Note: 41 Capital Risk Management

For the purpose of Group's capital management, capital includes issued capital, all other equity reserves and net debts. The primary objective of the Group's capital management is to maximise shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using gearing ratio, which is net debt divided by total capital (equity plus net debt). Net debt are non-current and current debts as reduced by cash and cash equivalents. Equity comprises all components including other comprehensive income.

Particulars	March 31, 2024	March 31, 2023
Total Debt	6,460.76	1,462.11
Less: Cash and cash equivalent	298.17	1,710.73
Net Debt	6,162.59	(248.62)
Equity	44,461.41	41,324.97
Total Capital (Equity + Net Debt)	50,624.00	41,076.35
Gearing ratio	12.17%	NA

Notes to the Consolidated Financial Statements

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Note: 42 SEGMENT REPORTING

A. Segment information as per Indian Accounting Standard - 108 - "Operating Segments" :

As per Indian Accounting Standard 108 'Operating Segments', the chief operating decision maker of the Company has identified following reportable segments of its business:

Considering the present product-centric nature of operations, the product categories in the order book and future business plans, during the year, the CODM has adopted a new enhanced approach towards monitoring and allocation of the resources to the business, accordingly during the year, the Company has identified two segments, namely "Optics and Optronic Systems" and "Defence Engineering" as against "Heavy Engineering", "Defence & Space Optics" and "Defence Electronics" till March 31, 2023. The figures for the previous year have been regrouped to make them comparable with those of the current year.

Segment comprise of:

Optics & Optronic Systems:

- Optical Components and Sub-Systems like Space Optics/Gratings/Mirrors, Infra-Red Lenses for Night Vision Devices, Opto-mechanical Assemblies and Precision Diamond Turned components etc.
- Opto-Electronic Systems comprising of Submarine Periscope, hyperspectral camera etc.
- EO/IR Systems.

Defence Engineering:

- Defence Electronics comprising of Defence Automation & Control systems, Rugged Command & Control Consoles, Avionic suite etc.
- Heavy Engineering comprising of Flow Formed Rockets/ Missile Motor Tubes, Electromechanical assemblies, Remote Controlled Border Defence System and Turnkey projects.
- Electromagnetic Pulse Protection Solutions.

Unallocated

Consists of other income, expenses, assets and liabilities which cannot be directly identified to any of the above segments.

I Segment wise Revenue

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Segment Revenue		
a. Optics and Optronic Systems	6,939.18	10,553.94
b. Defence Engineering	18,410.64	11,688.65
Revenue From Operations	25,349.82	22,242.59
Segment Results		
a. Optics and Optronic Systems	3,223.69	5,694.24
b. Defence Engineering	3,608.42	1,786.34
Total	6,832.11	7,480.58
i) Finance Costs	(543.95)	(671.68)
ii) Other unallocable expenditure	(3,062.79)	(2,933.70)
iii) Unallocable Income	827.17	822.43
iv) Share of loss of Associates	(5.69)	(13.13)
Profit before exceptional items and Tax	4,046.85	4,684.50
Exceptional items	-	-
Profit Before Tax	4,046.85	4,684.50

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

NOTE: 42 SEGMENT REPORTING (Contd..)

II Segment wise Assets and Liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Segment Assets		
a. Optics and Optronics Systems	22,984.21	20,847.63
b. Defence Engineering	30,574.00	20,956.39
c. Unallocable	10,414.64	10,250.06
Total	63,972.85	52,054.08
Segment Liabilities		
a. Optics and Optronics Systems	3,576.51	903.15
b. Defence Engineering	5,821.81	4,819.54
c. Unallocable	10,246.95	4,986.01
Total	19,645.27	10,708.70

III Other Informations

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Capital Expenditure	2,600.79	2,532.63
Depreciation	1,336.15	1,127.24
Non-cash Expenses other than Depreciation	737.56	250.74

B. Segment Identification, Reportable Segments and definition of each segment :

a. Reportable Segments:

The chief operating decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the internal reporting system and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of the nature of products / services and have been identified as per the quantitative criteria specified in Ind AS.

b. Primary / Secondary Segment Reporting Format:

- The risk-return profile of the group's business is determined predominantly by the nature of its products. Accordingly, the business segments constitute the Primary Segments for disclosure of segment information.
- Revenue disaggregation by geography (Refer Note No. 28.2)
- No Non-Current Assets of the Group is located outside India as on March 31, 2024 and March 31, 2023
- Segment revenue, results, assets and liabilities:**

Revenue and results have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which is related to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment assets and segment liabilities represent assets and liabilities in respective segments. Segment assets include all operating assets used by the operating segment and mainly includes Property, Plant and Equipment , trade receivable, inventories and other receivables. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets and liabilities.

v. Information about major customers:

Revenue from operations include ₹ 11,674.11 Lakhs, (March 31, 2023 : ₹ 10,674.78 Lakhs) from three customers (March 31, 2023: three customers) having more than 10% of the total revenue.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 43 Interests in other entities

43.1 The consolidation of financial statements of the Group includes subsidiaries listed in the table below:

Name	Principal Place of Business	% Equity interest	
		As at March 31, 2024	As at March 31, 2023
A Indian subsidiaries			
Paras Aerospace Private Limited	India	60.00%	60.00%
Paras Green UAV Private Limited (Formerly Known as Paras Green Optics Private Limited)	India	100.00%	100.00%
Paras Anti-Drone Technologies Private Limited	India	55.00%	55.00%
Ayatti Innovative Private Limited	India	58.02%	58.02%
Quantico Technologies Private Limited	India	100.00%	-
Mechtech Thermal Private Limited	India	70.00%	-
B Overseas Subsidiary			
OPEL Technologies PTE Ltd	Singapore	100.00%	100.00%

43.2 The consolidation of financial statements of the Group includes Associates listed in the table below:

Name	Principal Place of Business	% Equity interest	
		As at March 31, 2024	As at March 31, 2023
Krasny Paras Defence Technologies Private Limited	India	47.50%	47.50%
Controp Paras Technologies Private Limited	India	30.00%	-

The summarised financial information below represents amount shown in associate financial statements prepared as per equity accounting purposes.

Krasny Paras Defence Technologies Private Limited

Particulars	As at March 31, 2024	As at March 31, 2023
Current Assets	81.19	69.37
Current Liabilities	61.10	29.28
Net Current Assets/(Liabilities)	20.09	40.09
Non-Current Assets	52.17	42.57
Non-Current Liabilities	-	1.18
Net Non-Current Assets/(Liabilities)	52.17	41.39

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue	64.24	41.64
Profit/(Loss) for the Year	(9.21)	(27.65)
Other Comprehensive Income	-	-
Total Comprehensive Income	(9.21)	(27.65)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 43 Interests in other entities (Contd..)

Reconciliation of the above summarised financial information to the carrying amount of interest in Krasny Paras Defence Technologies Private Limited recognised in the Consolidated Financial Statements

Particulars	As at March 31, 2024	As at March 31, 2023
Net Assets of the Associate	72.26	81.48
Proportion of the Group's ownership interest in Krasny Paras Defence Technologies Private Limited	47.50%	47.50%
Carrying amount of the Group's interest in Krasny Paras Defence Technologies Private Limited	34.32	38.70

Particulars	As at March 31, 2024	As at March 31, 2023
Reconciliation to carrying amounts		
Opening net assets	38.70	4.33
Loss for the year	(4.38)	(13.13)
Other comprehensive income	-	-
Investment	-	47.50
Closing net assets	34.32	38.70

Controp Paras Technologies Private Limited

Particulars	As at March 31, 2024	As at March 31, 2023
Current Assets	0.65	-
Current Liabilities	4.00	-
Net Current Assets/(Liabilities)	(3.35)	-
Non-Current Assets	-	-
Non-Current Liabilities	-	-
Net Non-Current Assets/(Liabilities)	-	-

Particulars	As at March 31, 2024	As at March 31, 2023
Revenue	-	-
Profit/(Loss) for the Year	(4.35)	-
Other Comprehensive Income	-	-
Total Comprehensive Income	(4.35)	-

Reconciliation of the above summarised financial information to the carrying amount of interest in Controp Paras Technologies Private Limited recognised in the Consolidated Financial Statements

Particulars	As at March 31, 2024	As at March 31, 2023
Net Assets of the Associate	(3.35)	-
Proportion of the Group's ownership interest in Controp Paras Technologies Private Limited	30.00%	-
Carrying amount of the Group's interest in Controp Paras Technologies Private Limited	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note: 43 Interests in other entities (Contd..)

Particulars	As at March 31, 2024	As at March 31, 2023
Reconciliation to carrying amounts		
Opening net assets	-	-
Loss for the year	(1.31)	-
Other comprehensive income	-	-
Investment	0.30	-
Closing net assets	-	-

NOTE: 44 PROVISION

Disclosures as required by Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets":-

Movement in provisions:-

Nature of provision	Provision for Expected Credit loss on Trade Receivables	Provision for Credit Impaired	Provision for Doubtful advances	Total
As at April 01, 2022	762.77	48.17	-	810.94
Provision during the Year	164.47	-	-	164.47
Provision reversed during the Year	-	(10.35)	-	(10.35)
As at March 31, 2023	927.24	37.82	-	965.06
Provision during the Year	522.61	53.95	13.20	589.76
As at March 31, 2024	1,449.85	91.77	13.20	1,554.82

Note : 45 Disclosures Mandated by Schedule III by way of Additional Information - March 31, 2024

Name of the entity	As at March 31, 2024		For the Year ended March 31, 2024					
	Net assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of net consolidated net assets	Amount	As % of net consolidated profit or loss	Amount	As % of net consolidated profit or loss	Amount	As % of net consolidated profit or loss	Amount
Parent								
Paras Defence and Space Technologies Ltd.	100.46%	44,664.84	106.78%	3,423.50	106.11%	(36.27)	106.79%	3,387.23
Indian subsidiaries								
Paras Aerospace Private Limited	-0.25%	(113.22)	-6.72%	(215.31)	-	-	-6.79%	(215.31)
Paras Green UAV Private Limited (Formerly Known as Paras Green Optics Private Limited)	0.00%	(1.78)	-0.13%	(4.14)	-	-	-0.13%	(4.13)
Paras Anti- Drone Technologies Private Limited	0.10%	44.55	-2.30%	(73.60)	-	-	-2.32%	(73.60)
Ayatti Innovative Private Limited	-0.57%	(255.37)	-5.84%	(187.26)	-	-	-5.90%	(187.27)
Quantico Technologies Private Limited	0.02%	8.70	-0.04%	(1.30)	-	-	-0.04%	(1.30)
Mechtech Thermal Private Limited	-0.01%	(4.54)	-0.45%	(14.54)	-	-	-0.46%	(14.54)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note : 45 Disclosures Mandated by Schedule III by way of Additional Information - March 31, 2024 (Contd..)

Name of the entity	As at March 31, 2024		For the Year ended March 31, 2024					
	Net assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of net consolidated net assets	Amount	As % of net consolidated profit or loss	Amount	As % of net consolidated profit or loss	Amount	As % of net consolidated profit or loss	Amount
Indian Associate								
Krasny Paras Defence Technologies Private Limited	-	-	-0.14%	(4.38)	-	-	-0.14%	(4.38)
Controp Paras Technologies Private Limited	-	-	-0.04%	(1.31)	-	-	-0.04%	(1.31)
Overseas subsidiary								
OPEL Technologies PTE Ltd	0.43%	190.84	2.51%	80.51	-	-	2.54%	80.50
Non Controlling Interest	0.30%	133.83	6.31%	202.22	-	-	6.38%	202.22
Adjustments arising out of Consolidation	-0.46%	(206.44)	0.05%	1.62	-6.11%	2.09	0.12%	3.72
	100.00%	44,461.41	100.00%	3,206.01	100.00%	(34.18)	100.00%	3,171.83

Note: 46 Business Combination

Acquisition during the Previous year ended March 31, 2023

Summary of acquisition

In connection with acquisition of stake in Ayatti Innovative Private Limited incorporated in India. (The entity is engaged in manufacturing, processing of iron, Mild Steel, Stainless Steel Fabrication, handling and assembly work procuring and in the manufacturing of steel parts of train coaches and benches). The said Company have become subsidiary of the Company.

Purchase Consideration

During the previous year, Paras Defence and Space Technologies Limited has acquired 52.97 % stake in Ayatti Innovative Private Limited for a consideration of ₹ 570.00 Lakhs by acquiring 12,39,128 shares for an Issue Price of ₹ 46 per share (Face Value ₹ 10 each) from the selling shareholders. Hence, Ayatti Innovative Private Limited being a Subsidiary of the Company with effect from October 06, 2022. The Holding Company further acquired shares of Ayatti Innovative Private Limited resulting into a total investment of ₹ 699.20 Lakhs i. e 15,20,000 shares at an Issue Price of ₹ 46 each by virtue of which Holding Company stake increased to 58.02 % .

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Ayatti Innovative Private Limited as at the date of acquisition were:

Particulars	Fair Value recognised on acquisition
Assets	
Property, plant and equipment	373.07
Other Non Current Financial Assets	3.90
Non Current tax assets	0.64
Other Non Current Assets	30.18
Trade receivable	84.79
Cash and cash equivalents	26.17
Other Bank Balances	0.52
Other current assets	164.63
Deferred tax assets	0.53
	684.43

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

NOTE: 46 Business Combination (Contd..)

Particulars	Fair Value recognised on acquisition
Liabilities	
Borrowings	714.26
Trade payable	56.11
Current financial liabilities	17.72
Other current liabilities	37.17
	825.26
Net identifiable assets at fair value	(140.83)

Calculation of Goodwill

Particulars	Amount in Lakhs
Consideration transferred	570.00
Less:- Net Identifiable assets acquired	(74.60)
Goodwill	644.60

The Holding Company has identified and recognised Goodwill of ₹ 644.60 Lakhs which has been shown under the head of Non Current Assets in compliance with the respective provisions of Ind AS 103 "Business Combination".

Non-controlling Interest:-

For non-controlling interest in Ayatti, the Group elected to recognise the non-controlling interest at its proportionate share of the acquired net identifiable assets.

Purchase Consideration - Outflow of cash to acquire subsidiaries, net of cash acquired

Particulars	Amount in Lakhs
Consideration transferred	570.00
Less:- Balances Acquired (Included in cash flow from investing activities)	
Cash and Cash Equivalents	26.17
Other Bank Balances	0.52
Net inflow of Cash - Investing Activities	543.31

Note : 47 Other Statutory Information

- There are no balances outstanding on account of any transaction with companies strike off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Group does not have any such transaction which is not recorded in the books of account surrendered or disclosed as income during the year in the tax assessments under the Income-tax act, 1961.
- No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- The Group is not declared wilful defaulter by any bank or financial institution or other lender



Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in Rupees Lakhs, unless otherwise stated)

Note : 47 Other Statutory Information (Contd..)

- vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) 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.
- vii) The Group has not received any fund from any person(s) or entity(ies), including entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the (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.
- viii) There is no charge or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

Note: 48 Previous Year's figures have been regrouped / rearranged wherever necessary, to make them comparable with those of current year.

As per our report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

(Firm Registration No. 101720W/W100355)

RUPESH SHAH

Partner

Membership No. 117964

Date: May 25, 2024

For and on behalf of the Board of Directors

MUNJAL SHAH

Managing Director

DIN: 01080863

HARSH BHANSALI

Chief Financial Officer

SHARAD SHAH

Chairman and Director

DIN: 00622001

JAJVALYA RAGHAVAN

Company Secretary

Membership No: F11942



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