



## 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

July 30, 2025

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Fort, Mumbai - 400 001  
**Scrip 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 16<sup>th</sup> Annual General Meeting of Paras Defence and Space Technologies Limited ("the Company") and Annual Report for Financial Year 2024-25**

This is further to our intimation dated July 25, 2025 wherein the Company had informed that the 16<sup>th</sup> Annual General Meeting ("AGM") of the Company is scheduled to be held on Thursday, August 21, 2025 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).

Pursuant to 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 2024-25, including Notice convening the 16<sup>th</sup> AGM, which is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrar & Share Transfer Agent ('RTA')/Depository Participant(s) ('DPs'). Further, in accordance with the Regulation 36(1)(b) of the SEBI Listing Regulations, the Company has initiated sending a letter to the Shareholders whose e-mail addresses are not registered with the Company/RTA/DPs, providing a web-link from where the Annual Report can be accessed on the website of the Company.

The Notice of the AGM and Annual Report for Financial Year 2024-25 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 and oblige.

Thanking you,

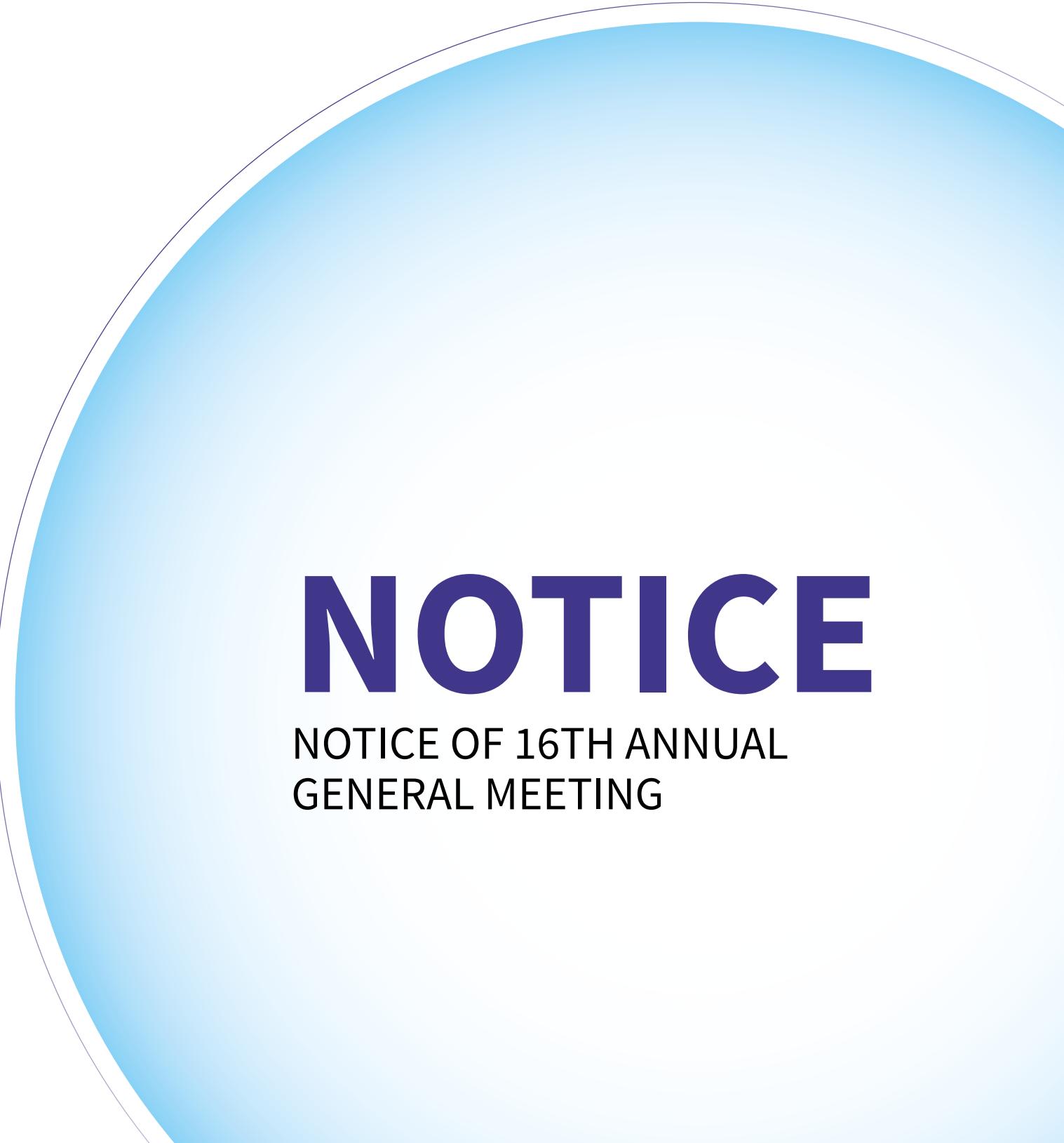
**For Paras Defence and Space Technologies Limited**

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**Jajvalya Raghavan**

Company Secretary and Compliance Officer  
Membership No.: F11942

**Encl.: as above**



# **NOTICE**

## **NOTICE OF 16TH ANNUAL GENERAL MEETING**



# NOTICE OF 16<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 16<sup>th</sup> (Sixteenth) Annual General Meeting of the Members of Paras Defence and Space Technologies Limited will be held on Thursday, August 21, 2025 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, 2025 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, 2025 together with the Reports of Auditors thereon;

### 2. TO DECLARE A DIVIDEND ON EQUITY SHARES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

To declare a final dividend of ₹ 0.50/- per equity share of ₹ 5/- each for the financial year ended March 31, 2025.

### 3. RE-APPOINTMENT OF DIRECTOR WHO RETIRES BY ROTATION

To re-appoint Mr. Sharad Virji Shah (DIN: 00622001), who retires by rotation, and being eligible, has offered himself for reappointment.

## SPECIAL BUSINESS

### 4. APPOINTMENT OF M/S. DM & ASSOCIATES, COMPANY SECRETARIES LLP, AS SECRETARIAL AUDITORS OF 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 204 and other applicable provisions if any, of the Companies Act, 2013 read with Rule 9 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification thereof for the time being in force and as may be enacted from time to time) and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, and pursuant to the recommendation of the Audit Committee and approval of Board of Directors, M/s. DM & Associates, Company Secretaries LLP (Firm Registration No: L2017MH003500) be and is hereby appointed as the Secretarial Auditors of the Company to hold office for a period of five consecutive years commencing from FY 2025-26 till FY 2029-30, at such remuneration as may be mutually agreed between the Board of Directors, Audit Committee and the Secretarial Auditors.

**RESOLVED FURTHER THAT** the Board/Committee, be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing 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. RATIFICATION OF REMUNERATION OF COST AUDITORS FOR FY 2025-26

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 (Firm Registration Number: 100583), amounting to ₹ 1,10,000/- (Rupees One Lakh Ten Thousand 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 2025-26, 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.”

### 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 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/continue 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 Rs. 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."

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

**Jajvalya Raghavan**  
Company Secretary and Compliance Officer

Date: July 25, 2025  
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](mailto:business@parasdefence.com)  
Website: [www.parasdefence.com](http://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, General Circular No. 09/2023 dated September 25, 2023 and Circular No. 09/2024 dated September 19, 2024 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, Circular No. SEBI/HO/CFD/CFP-PoD-2/P/CIR/2023/167 dated October 07, 2023 and Circular No. SEBI/HO/ CFD/CFDPoD- 2/P/CIR/2024/133 dated October 3, 2024 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 16<sup>th</sup> AGM of the Company is being held through VC/OAVM on Thursday, August 21, 2025, 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. 4, 5 and 6 in the Notice of this 16<sup>th</sup> 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](mailto: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 Friday, August 15, 2025 to Thursday, August 21, 2025 (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 13<sup>th</sup> April, 2020 and Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 Circular No. 17/2020 dated April 13, 2020, Notice of the AGM along with the Annual Report 2024-25 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 2024-25 will also be available on the Company's website [www.parasdefence.com](http://www.parasdefence.com), websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of MUFG Intime India Private Limited [www.in.mpms.mufg.com](http://www.in.mpms.mufg.com)
- i. In case any Member is desirous of obtaining physical copy of the Annual Report for the FY 2024-25 and Notice of the AGM of the Company, he/she may send a request to the Company by writing at [cs@parasdefence.com](mailto:cs@parasdefence.com) mentioning their DP ID and Client ID.
- 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@yahoo.com](mailto:dinesh.deora@yahoo.com) with a copy marked to <https://instameet.in.mpms.mufg.com>.
- k. **Record Date and Dividend:** Members may note that the Board, at its meeting held on April 30, 2025, has recommended a final dividend of ₹ 0.50/- per equity share of ₹ 5/- for the financial year ended March 31, 2025. The record date for the purpose of final dividend is Friday, August 08, 2025. The final

dividend once approved by the members in the ensuing AGM, will be paid within 30 days after approval of the members in the ensuing Annual General Meeting (AGM). As per SEBI requirements, effective from 1<sup>st</sup> April, 2024, Companies are allowed to make dividend payments only in electronic mode. To ensure timely credit of dividend, members are requested to update their KYC with their depositories/depository participants (DPs) before the cut-off date. Members are hereby informed that bank particulars registered with their respective DPs, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. Members are requested to intimate any change in their address and / or bank mandate to their DPs only, as the Company or its RTA cannot act on any request received directly on the same.

As per Indian Income Tax Act, 1961 dividend paid and distributed by a Company is taxable in the hands of members. Therefore, the Company is required to deduct taxes at source (TDS) at the rates applicable on the amount distributed to the members at prescribed rates. For information on prescribed rates, members are requested to refer to the Finance Act, 2020 and subsequent amendments thereof. The members are requested to update their PAN details, tax residential status with their depository participants. No tax shall be deducted on the dividend payable to a resident individual member if the total dividend to be received during financial year 2025-26 does not exceed ₹ 10,000/- . The withholding tax rate (TDS rate) would vary depending on the residential status of the member and the documents submitted by them and accepted by the Company.

A resident individual member with PAN who is not liable to pay income tax can submit a yearly declaration in Form 15G/15H. To avail the benefit of non-deduction of tax, members may send duly signed forms to Company's RTA at <https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html> by Tuesday, August 5, 2025 (upto 6.00 p.m. IST). Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident members can avail beneficial rates under tax treaty between India and their country of residence subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by updating details at <https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html>. The said declarations need to be submitted by Tuesday, August 5, 2025 (upto 6.00 p.m. IST). The Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company/RTA.

A separate email communication is being sent informing the members regarding the relevant procedure to be adopted by the Members to avail the applicable tax rate as per the Income Tax Act, 1961.

## **I. INFORMATION 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 MUFG 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 MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited).
- ii. Members may note that the VC/OAVM facility, allows participation of atleast 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://instameet.in.mpms.mufg.com> by using their remote e-voting login credentials and selecting the link available against the EVEN 250347 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 Monday, August 18, 2025 at 9:00 a.m. (IST) and ends on Wednesday, August 20, 2025 at 5:00 p.m. (IST). During this period, members of the Company, holding shares as on the cut-off date of Thursday, August 14, 2025, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by MUFG InTime India 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.

- 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. Thursday, August 21, 2025.
- viii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.parasdefence.com](http://parasdefence.com) and on the website of MUFG InTime India Private Limited i.e. [www.in.mppms.mufg.com](http://www.in.mppms.mufg.com). 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 Thursday, August 14, 2025, 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](mailto:cs@parasdefence.com) at least seven days prior to the date of Annual General Meeting. The same shall be replied suitably by the Company.

## INSTRUCTIONS FOR MEMBERS RELATING TO E-VOTING AND JOINING AGM ARE AS UNDER:

### Remote e-Voting Instructions for members:

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access remote e-Voting facility.

### Login method for Individual shareholders holding securities in demat mode

Individual Shareholders holding securities in demat mode with NSDL:

## METHOD 1 - NSDL IDeAS facility

### Shareholders registered for IDeAS facility:

- a) Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "IDeAS Login Section".
- b) Click on "Beneficial Owner" icon under "IDeAS Login Section".
- c) Post successful authentication, you will be able to see e-Voting services under Value added services section. Click on "Access to e-Voting" under e-Voting services.
- d) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

### Shareholders not registered for IDeAS facility:

- a) To register, visit URL: <https://eservices.nsdl.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- b) Enter 8-character DP ID, 8-digit Client ID, Mobile no, Verification code & click on "Submit".
- c) Enter the last 4 digits of your bank account / generate 'OTP'

Shareholders/

Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.



- d) Post successful registration, user will be provided with Login ID and password. Follow steps given above in points (a-d).

## METHOD 2 - NSDL e-voting website

- a) Visit URL: <https://www.evoting.nsdl.com>
- b) Click on the "Login" tab available under 'Shareholder/ Member' section.
- c) Enter User ID (i.e., your 16-digit demat account no. 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 will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

## METHOD 3 - NSDL OTP based login

- a) Visit URL: <https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp>

- b) Enter your 8 - character DP ID, 8 - digit Client ID, PAN, Verification code and generate OTP.
- c) Enter the OTP received on your registered email ID/ mobile number and click on login.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services.
- e) Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

#### **Individual Shareholders registered with CDSL Easi/ Easiest facility**

##### **METHOD 1 - CDSL Easi/ Easiest facility:**

###### **Shareholders registered for Easi/ Easiest facility:**

- a) Visit URL: <https://web.cdsindia.com/myeasitoken/Home/Login> or [www.cdsindia.com](http://www.cdsindia.com) & click on New System Myeasi Tab.
- b) Enter existing username, Password & click on “Login”.
- c) Post successful authentication, user will be able to see e-voting option. The e-voting option will have links of e-voting service providers i.e., MUFG InTime. Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

###### **Shareholders not registered for Easi/ Easiest facility:**

- a) To register, visit URL: <https://web.cdsindia.com/myeasitoken/Registration/EasiRegistration> / <https://web.cdsindia.com/myeasitoken/Registration/EasiestRegistration>
- b) Proceed with updating the required fields for registration.
- c) Post successful registration, user will be provided username and password. Follow steps given above in points (a-c).

##### **METHOD 2 - CDSL e-voting page**

- a) Visit URL: [https://www.cdsindia.com](http://www.cdsindia.com)
- b) Go to e-voting tab.
- c) Enter 16-digit 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) Post successful authentication, user will be able to see e-voting option. The e-voting option will have links of e-voting service providers i.e., MUFG InTime. Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to 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, user shall navigate through “e-voting” option.
- c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.
- d) Post successful authentication, click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

#### **Login method for shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode.**

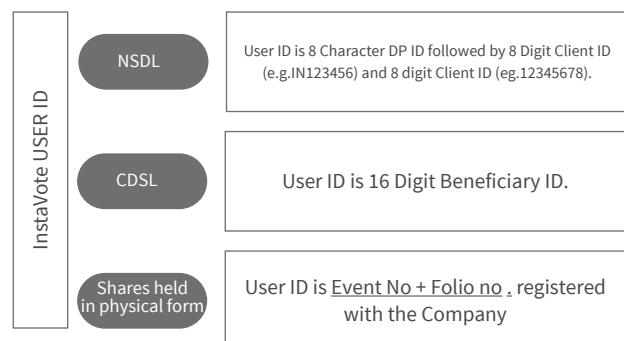
Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register and vote on InstaVote as under:

##### **STEP 1: LOGIN / SIGNUP to InstaVote**

###### **Shareholders registered for INSTAVOTE facility:**

- a) Visit URL: <https://instavote.linkintime.co.in> & click on “Login” under ‘SHARE HOLDER’ tab.
- b) Enter details as under:
  1. User ID: Enter User ID
  2. Password: Enter existing Password
  3. Enter Image Verification (CAPTCHA) Code
  4. Click “Submit”.

(Home page of e-voting will open. Follow the process given under “Steps to cast vote for Resolutions”)



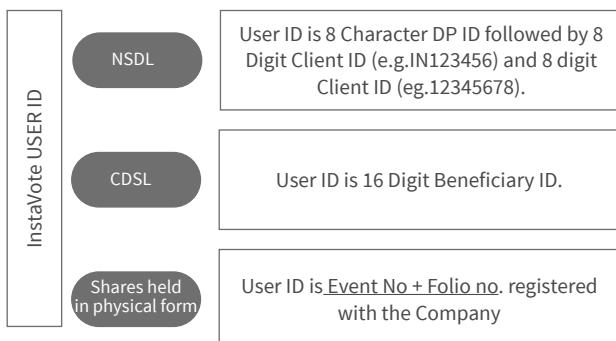
**Shareholders not registered for INSTAVOTE facility**

- a) Visit URL: <https://instavote.linkintime.co.in> & click on “Sign Up” under ‘SHARE HOLDER’ tab & register with details as under:
1. User ID: Enter User ID
  2. 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.)
  3. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format)
  4. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
    - Shareholders holding shares in **NSDL form**, shall provide ‘D’ above
    - Shareholders holding shares in **physical form** but have not recorded ‘C’ and ‘D’ shall provide their Folio number in ‘D’ above
  5. 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).

6. Enter Image Verification (CAPTCHA) Code.
7. Click “Submit” (You have now registered on InstaVote).

Post successful registration, click on “**Login**” under ‘SHARE HOLDER’ tab & follow steps given above in points (a-b).

**STEP 2: Steps to cast vote for Resolutions through InstaVote**

- A. Post successful authentication and redirection to InstaVote inbox page, you will be able to see the “Notification for e-voting”.
- B. Select ‘View’ icon. E-voting page will appear.
- C. 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).
- D. After selecting the desired option i.e. Favour / Against, click on ‘Submit’.
- E. 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.

**NOTE:** Shareholders may click on “Vote as per Proxy Advisor’s Recommendation” option and view proxy advisor recommendations for each resolution before casting vote. “Vote as per Proxy Advisor’s Recommendation” option provides access to expert insights during the e-Voting process. Shareholders may modify their vote before final submission.

Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

**Guidelines for Institutional shareholders (“Custodian / Corporate Body/ Mutual Fund”)****STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration**

- A. Visit URL: <https://instavote.linkintime.co.in>
- B. Click on “Sign Up” under “Custodian / Corporate Body/ 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](mailto:insta.vote@linkintime.co.in).
- E. Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person’s email ID. (You have now registered on InstaVote)

**STEP 2 – Investor Mapping**

- A. Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- B. Click on “Investor Mapping” tab under the Menu Section
- C. Map the Investor with the following details:
  1. ‘Investor ID’ – Investor ID for NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678; Investor ID for CDSL demat account is 16 Digit Beneficiary ID.
  2. ‘Investor’s Name’ – Enter Investor’s Name as updated with DP.

3. ‘Investor PAN’ - Enter your 10-digit PAN.
4. ‘Power of Attorney’ - Attach Board resolution or Power of Attorney.

**NOTE:** File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID.

Further, Custodians and Mutual Funds shall also upload specimen signatures.

- D. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the “Report Section”.

#### **STEP 3 – Steps to cast vote for Resolutions through InstaVote**

The corporate shareholder can vote by two methods, during the remote e-voting period.

#### **METHOD 1 - VOTES ENTRY**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on “Votes Entry” tab under the Menu section.
- c) Enter the “Event No.” for which you want to cast vote.
- d) Event No. can be viewed on the home page of InstaVote under “On-going Events”.
- e) Enter “16-digit Demat Account No.”
- f) 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). 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.
- h) Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

#### **METHOD 2 - VOTES UPLOAD**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) After successful login, you will see “Notification for e-voting”.
- c) Select “View” icon for “Company’s Name / Event number”.
- d) E-voting page will appear.
- e) Download sample vote file from “Download Sample Vote File” tab.
- f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under “Upload Vote File” option.

- g) Click on ‘Submit’. ‘Data uploaded successfully’ message will be displayed.
- h) Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

#### **Helpdesk:**

##### **Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at [enotices@in.mpms.mufg.com](mailto:enotices@in.mpms.mufg.com) or contact on: - Tel: 022 – 4918 6000.

##### **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.

| <b>Login type</b>  | <b>Helpdesk details</b>  |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at: 022 - 4886 7000                                       |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33 |

#### **Forgot Password:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- Click on “Login” under ‘SHARE HOLDER’ tab.
- Click “forgot password?”
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on “SUBMIT”.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- Click on ‘Login’ under “Custodian / Corporate Body/ Mutual Fund” tab
- Click “forgot password?”

- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on “SUBMIT”.

In case shareholders have a 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 information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. 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:**

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

#### **General Instructions - Shareholders**

- 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:**

In terms of Ministry of Corporate Affairs (MCA) General Circular No. 09/2024 dated 19.09.2024, the Companies can conduct their AGMs/ EGMs on or before 30 September 2025 by means of Video Conference (VC) or other audio-visual means (OAVM).

#### **Shareholders are advised to update their mobile number and email ID correctly in their demat accounts to access InstaMeet facility.**

Login method for shareholders to attend the General Meeting through InstaMeet:

- a) Visit URL: <https://instameet.in.mmps.mufg.com> & click on “Login”.
- b) Select the “Company Name” and register with your following details:
- c) Select Check Box - **Demat Account No. / PAN**
  - Shareholders holding shares in NSDL/ CDSL demat account shall select check box - Demat Account No. and enter the 16-digit demat account number.
  - Shareholders holding shares in physical form shall select check box – Folio No. and enter the Folio Number registered with the company.

- Shareholders shall select check box – PAN and enter 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 by MUFG Intime, if applicable.
- Mobile No: Mobile No. as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.
- Email ID: Email ID as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.

- d) Click “Go to Meeting”

You are now registered for InstaMeet, and your attendance is marked for the meeting

#### **Instructions for shareholders to Speak during the General Meeting through InstaMeet:**

- a) Shareholders who would like to speak during the meeting must register their request with the company.
- b) Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
- c) Shareholders will receive “speaking serial number” once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- d) Other shareholder who has not registered as “Speaker Shareholder” may still ask questions to the panellist via active chat-board during the meeting.

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

#### **Instructions for Shareholders to Vote during the General Meeting through InstaMeet:**

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

- a) On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
- b) 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
- c) Click on ‘Submit’.
- d) After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
- e) 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’.
- f) 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. 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.

**Helpdesk:**

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at [instameet@in.mmps.mufg.com](mailto:instameet@in.mmps.mufg.com) or contact on: - Tel: 022 – 4918 6000 / 4918 6175.

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

### ITEM NO. 4

#### APPOINTMENT OF M/S. DM & ASSOCIATES, COMPANY SECRETARIES LLP, AS SECRETARIAL AUDITORS OF THE COMPANY

Pursuant to Section 204 of the Companies Act, 2013 and Rule 9 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, and the latest amendment to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 dated December 12, 2024, a listed entity is required to appoint a Peer Reviewed Company Secretary in Practice as Secretarial Auditors for a period not more than two terms of five consecutive years with the approval of shareholders in the Annual General Meeting. Any association of the individual or the firm as the Secretarial Auditor of the listed entity before March 31, 2025 shall not be considered for the purpose of calculating the tenure under Regulation 24A of the Listing Regulations.

Accordingly, based on the recommendation of the Audit Committee, the Board of Directors of the Company approved the appointment of M/s DM & Associates, Company Secretaries LLP, (FRN: L2017MH003500), a peer-reviewed firm, as Secretarial Auditors of the Company for a term of five consecutive financial years commencing from FY 2025-26 to FY 2029-30 to conduct Secretarial Audit of the Company and to furnish the Secretarial Audit Report, at such remuneration as may be fixed by the Board and determined by the Audit Committee in consultation with the Secretarial Auditors.

M/s DM & Associates is a Limited Liability Partnership comprising a team of highly motivated professionals providing a comprehensive range of services across diverse sectors. The firm has established itself as a Complete Solution Provider, supporting companies seeking to capitalize on opportunities within the Indian economy and market landscape.

The firm boasts a team of experienced professionals with expertise in Compliance, Legal, Finance, Taxation and procedural matters, providing a comprehensive legal and regulatory services under various Corporate Laws, including the Companies Act, FEMA, SEBI Regulations, Income Tax laws, and regulatory frameworks of BSE and NSE and other financial & technical collaborations incidental to foreign direct investments.

The firm offers a wide spectrum of professional services to a varied clientele across multiple service lines. They currently handle audits for both listed and unlisted companies, including entities ranked among the top 1000 listed companies by market capitalization on the BSE and NSE. Their clientele spans a broad range of industries, including Banking, Rubber Manufacturing, Textiles, FMCG, Steel, Real Estate, Market Infrastructure Intermediaries, Hospitality, Defense, NBFCs, Pharmaceuticals, Capital Markets etc.

The Company has received consent and eligibility letter from M/s. DM & Associates to act as the Secretarial Auditors of the Company, in accordance with the provisions of Section 204 of the Companies Act, 2013, Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI Listing Regulations, and other applicable rules, if any.

Accordingly, consent of the members is being sought for passing an Ordinary Resolution as set out at Item No. 4 of this Notice for appointment of M/s. DM & Associates, Company Secretaries LLP, as Secretarial Auditors of the Company for a period of 5 (Five) years.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

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

### ITEM NO. 05

#### RATIFICATION OF REMUNERATION OF COST AUDITORS FOR FY 2025-26

In terms of Section 148 of the Act read with the Companies (Audit and Auditors) 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 April 30, 2025, 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 FY 2025-26, at a remuneration of Rs. 1,10,000/- (Rupees One Lakh and Ten Thousand Only) plus applicable taxes thereon and reimbursement of actual out-of-pocket expenses.

M/s. Dinesh Jain & Co., Cost Accountants have consented to act as the Cost Auditors of the Company for FY 2025-26 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. 5 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, 2026.

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. 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 Audit Committee and the Board of Directors at their meeting held on August 27, 2024 and the shareholders at the 15<sup>th</sup> Annual General Meeting held on September 20, 2024, had approved to enter 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 (“the Associate Company”) for supply of goods/services/material including technologies and other business transactions amounting to approx. Rs. 2,93,00,00,000/- (Rupees Two Hundred and Ninety-Three Crores plus applicable taxes) for a period from the date of the 15<sup>th</sup> Annual General Meeting (AGM) till the date of next AGM i.e. 16<sup>th</sup> AGM.

Based on recommendation of the Audit Committee at their meeting held on July 25, 2025, the Board of Directors, have accorded approval to enter/continue 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 the 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 seeking renewal of approval at this AGM to ensure continuity of business.

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 & Optronic Systems and Defence Engineering (comprising of Defence Electronics, EMP Protection Solutions & Heavy Engineering). The annual consolidated turnover of

the Company as on March 31, 2025 is Rs. 333.50 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) Rs. 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 was 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 was 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)                  | <b>Name of Related Party</b> - Controp-Paras Technologies Private Limited ("Controp-Paras")<br><b>Relationship</b> - Controp-Paras is an Associate Company of the Company. The Company holds 30% of paid-up equity share capital of Controp-Paras.<br>-  |
| 2.      | Name of Director(s) or Key Managerial Personnel who is related, if any   | -  |
| 3.      | Type, Tenure, Material Terms and Particulars   | Continue the 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 Rs. 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 | 88%  |
| 6.      | 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 is 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.

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

**Jajvalya Raghavan**  
Company Secretary and Compliance Officer

Date: July 25, 2025

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](mailto:business@parasdefence.com)  
Website: [www.parasdefence.com](http://www.parasdefence.com)  
CIN: L29253MH2009PLC193352

## ANNEXURE - A

**Details of re-appointment of Mr. Sharad Virji Shah, Director liable to retire by rotation at the AGM**

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2, Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India]:

|  |  |
|--|--|
| Name of Director   | Mr. Sharad Virji Shah  |
| DIN  | 00622001   |
| Date of birth  | December 18,1947   |
| Age  | 77 Years   |
| Date of first appointment on the Board                       | June 16, 2009  |
| Qualification  | Senior Secondary Certificate   |
| Experience   | Mr. Sharad Virji Shah is Promoter Shareholder and Chairman of the Company. He started Paras Defence and Space Technologies Limited (formerly known as Paras Engineering Co.) in the 1970's at a very young age. His passion for Indigenization & creating import substitution encouraged him to start a company which would become a one stop solution for all Critical Components & Assemblies in India. Being a hands on Engineer and his passion for reading and constant craving for engineering excellence, he became Industry Expert in Precision Engineering and manufacturing. Discipline and Innovation has been the key Mantra for his successful path breaking journey. |
| Terms and conditions of appointment/re-appointment           | Re-appointment in terms of Section 152(6) of the Companies Act, 2013.  |
| Details of remuneration last drawn                           | Rs. 75,000/- per Board / Committee Meeting (as on June 30, 2025)   |
| Remuneration proposed to be paid                             | -  |
| Shareholding in the Company as on date                       | 1,20,49,680 (post the split of equity shares of the Company) [constituting 14.95% of the paid-up capital]  |
| Relationship with other Directors / Key Managerial Personnel | Mr. Sharad Virji Shah is father of Mr. Munjal Sharad Shah, Managing Director of the Company  |
| Directorships in other companies as on date                  | -  |
| Membership of Committees/Chairmanship in other Companies     | N.A.   |
| Number of Board meetings attended during the year            | 9  |

By the order of the Board of Directors

For **Paras Defence and Space Technologies Limited**

**Jajvalya Raghavan**

Company Secretary and Compliance Officer

Date: July 25, 2025

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](mailto:business@parasdefence.com)

Website: [www.parasdefence.com](http://www.parasdefence.com)

CIN: L29253MH2009PLC193352

# ANNUAL REPORT 2025



## DEFENDING OUR SKIES



EO/IR Systems | High Power Laser | C4I Systems | Anti-Drone Systems

**PARAS DEFENCE AND SPACE TECHNOLOGIES LTD.**

Premier Indian Defence & Space Manufacturing Company

# Contents

02-37

## Corporate Overview

- 02 Strategically Securing a Better Tomorrow
- 04 Chairman's message
- 06 Managing Director's Message
- 08 Serving the Nation
- 10 Trusted by the Best
- 12 Building Aatmanirbhar Bharat
- 16 Empowering India, Redefining Excellence
- 22 Unifying Our Strengths
- 24 Shaping the Future of Defence
- 26 Leveraging Manufacturing Prowess to Scale Responsibly
- 28 Driven by People, Committed to the Best
- 32 Engaging to Drive Progress
- 34 Our Hall of Fame
- 36 Board of Directors & KMP

### 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.



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

38-133

## Statutory Reports

- 38 Notice
- 53 Board's Report
- 64 Corporate Governance Report
- 90 Management Discussion and Analysis
- 102 Business Responsibility and Sustainability Report

134-257

## Financial Statements

### Standalone

- 135 Independent Auditors' Report on Standalone Financial Statements
- 145 Standalone Financial Statements

### Consolidated

- 197 Independent Auditors' Report on Consolidated Financial Statements
- 205 Consolidated Financial Statements

India's defence sector is making remarkable strides towards self-reliance while positioning itself to play a pivotal role in fortifying global supply chains. With a clear focus on indigenisation, innovation and global leadership, India is securing its borders, reducing its dependency on imports and strengthening the potential of defence exports. At the same time, India's progress in space exploration marks a series of significant milestones. With renewed confidence, the nation continues to push the limits of possibility, inspiring future generations to dream big and aim higher.

Amidst these evolving dynamics, Paras stands at the forefront, defending the skies by seamlessly blending manufacturing excellence with robust innovation. We are committed to staying ahead of the competition by continuously working on future technologies that promise to reshape the defence and space sectors.

Our achievements are a testament to our capabilities—we are the only Company in the Asia-Pacific to develop and manufacture submarine periscopes, the only private Indian Company to develop and manufacture hyperspectral cameras for defence and space applications and the sole Indian Company to offer turnkey electromagnetic pulse (EMP) protection solutions. We are also the creators of the first-of-its-kind Border Defence System to safeguard our frontline soldiers from enemy fire and the only Indian Company to manufacture cameras for drones and UAVs.

As we venture into the realms of quantum communications and quantum sensing, backed by our results-driven team and visionary leadership, we believe that the future holds immense possibilities for us. We remain steadfast in our commitment to defending our skies, sharpening our competitive edge and collectively progressing towards a more secure tomorrow.



# Strategically Securing a Better Tomorrow



# Chairman's message



We recognise significant potential in expanding global partnerships and exports, particularly in areas where our niche engineering strengths align with evolving international defence requirements. With a solid foundation, a robust order pipeline and continued investments, we strive to deliver sustainable value for all.

## Dear Shareholders,

Every nation's security begins at its borders, but true defence extends beyond them. With a clear focus on indigenisation, innovation and global leadership, India is not only securing its borders but also positioning itself as a key player in the international defence ecosystem. On the other hand, India's increasing technological confidence, global collaborations and its readiness to contribute meaningfully to the global space community are unlocking a new chapter—one where India not only aims to explore but to lead.

Reflecting on the past year, I am pleased to share that Paras Defence and Space Technologies has stood tall amidst these changes, growing in tandem with the nation and driving progress. Our expertise is built on a strong foundation of innovation, resilience and responsibility. We are consistently strengthening our core competencies to deliver world-class & proven performance while remain dedicated to pioneering advanced solutions for defence and space applications.

## Bolder, Better, Built to lead

The increase in the defence budget reflects the nation's commitment to strengthening its military foundation. With a strong focus on innovation, new-generation technologies and the development of defence corridors, the Indian defence sector is steadily evolving into a self-reliant ecosystem. Simultaneously, India is charting a bold course in space exploration, with an array of visionary missions and projects approved to enhance its position in global space exploration.

Paras is poised to capitalise on these opportunities by leveraging its robust research and development capabilities and manufacturing prudence. Our diversified portfolio includes submarine periscopes, high power laser systems, hyperspectral cameras, electromagnetic protection solutions and border defence systems; while we aim to develop and offer cutting edge technologies in the domain of RF & Microwave from our subsidiary, Paras Anti-Drone Technologies Private Limited. As the markets continue to evolve, we are also foraying into quantum communications and sensing.

## Catering to the Needs of Bharat

Technology has become central to the global defence and space landscape. At Paras, our strong emphasis on technology development distinguishes us as a prominent IDDM Company. We have deepened our focus on strengthening indigenous capabilities to further contribute to the 'Make in India' initiative and promoting Atmanirbharata.

Our efforts are geared towards delivering end-to-end solutions in critical segments such as electro-optics, defence electronics and EMP protection. Further, we are making significant strides in emerging domains like drone and anti-drone technologies and space optics. By harnessing the power of talent, technology and trust, we are driving excellence to ensure national security to emerge as a trusted partner in global value chains.

## Indigenously developing solutions to enhance SECURITY

At Paras, We combine advanced engineering and high-impact technology with innovation and manufacturing excellence to deliver solutions that support the development of a self-reliant India. Our portfolio includes ultra-precision optics for satellites and missiles, advanced optronic systems for surveillance and targeting and robust defence engineering solutions that include electronics, mechanical systems and electromagnetic protection. By contributing towards national security, enabling space exploration and driving the



With a strong focus on innovation, new-generation technologies and the development of defence corridors, the Indian defence sector is steadily evolving into a self-reliant ecosystem.

growth of critical infrastructure both in India and on the global stage, we strive to maintain our position as the one-stop for everything critical.

Through our core verticals-- Optics and Optronic Systems, and Defence Engineering-- we are offering fully integrated, indigenously developed solutions for a diverse array of applications. We are among the few companies in India that specialise in the high-end manufacturing for defence and space applications, and we are actively involved in some of the key aerospace and defence projects commissioned by the Indian government.

## Our Unique Model of Value Creation

We follow a unique business model built on complete in-house capabilities, technological foresight and strategic agility. By designing, engineering, and manufacturing critical

in harmony with the progress. We remain optimistic about exploring new frontiers in defence and space technologies, focusing on supporting critical national programmes through innovation-driven solutions.

We also recognise significant potential in expanding global partnerships and exports, particularly in areas where our niche engineering strengths align with evolving international defence requirements. With a solid foundation, a robust order pipeline and continued investments, we strive to deliver sustainable value for all.

Lastly, I would like to take this opportunity to thank all our stakeholders for your support and trust. Your encouragement has been instrumental to our progress and growth. As we move forward, I look forward to achieving new milestones together.

Yours sincerely,

**Sharad Virji Shah**  
Chairman

## Prepared for the Next

Today, India is steadily advancing on the path of self-reliance, and we are growing

# Managing Director's Message



Our blueprint for the future includes diversifying the product portfolio, enhancing manufacturing infrastructure and deepening participation in global defence and space supply chains. We have also entered future-focused areas such as Laser based air defence system, anti-drone systems, quantum communication and quantum sensing.

## Dear Shareholders,

The financial year 2024-25 was marked by remarkable progress, strategic breakthroughs and steadfast execution of our long-term vision. We had strengthened our core capabilities across defence and space technologies as well as achieved several key milestones that cemented our position in the industry. Our commitment to the nation is demonstrated through dedicated efforts to facilitate the indigenous development of critical defence systems, pioneering advancements in electro-optics and laser technologies and meaningful contributions to empower the nation. In the era characterised by escalating geopolitical conflicts, we stand ready to provide solutions for a nation on course to become the third largest global economy by 2030.

## Defending the sovereignty of the nation

The defence budget has seen a steady rise, reflecting the nation's commitment to strengthening its military foundations. The rapid advancement has led to record-breaking production, a surge in exports, targeted investments and landmark defence contracts-- shaping a future where strength

and self-reliance go hand in hand. Further, government initiatives such as Make in India and the Defence Acquisition Procedure have created a conducive environment for domestic companies to thrive.

With an established footprint in areas such as submarine periscopes, high power laser systems, hyperspectral imaging, electromagnetic protection and drone-based camera systems, we are now actively foraying into air defence, anti-drone, space and quantum technologies. Backed by strong leadership and a dedicated team, we remain focused on delivering value and developing solutions that make a real difference.

## Defending Our Growth Story

### Measuring Progress

We recorded a total revenue of ₹364.66 crore, driven by robust order execution, expansion in key product lines and growing demand across defence and space domains. Further, operational efficiency and disciplined cost management resulted in an EBITDA of ₹97.20 crore, reflecting healthy margins. In addition to this, our Profit After Tax (PAT) stood at ₹61.49 crore, underlining strong bottom-line performance amidst a dynamic business environment.

### Achieving Milestones with Agility

We take immense pride in being the only Company in the Asia-Pacific region to indigenously develop and manufacture submarine periscopes and the first private Indian company to design and produce hyperspectral cameras for defence and space applications. Our successful delivery of complete electromagnetic protection systems and the development of India's first Border Defence System further underscore our growing contribution to national security. In addition, we are the only Indian company manufacturing electro-optic cameras for drones and UAVs.

We have also entered future-focused areas such as Laser based air defence system, anti-drone systems, quantum communication and quantum sensing. Through the



The rapid advancement has led to record-breaking production, a surge in exports, targeted investments and landmark defence contracts-- shaping a future where strength and self-reliance go hand in hand.

year, we maintained a strong focus on indigenisation and exports, aligning closely with India's vision of becoming a global hub for defence manufacturing.

## Defending Our Planet

Our commitment to sustainability is integral to our mission of creating and maximising value for all. As we advance with an innovation-led approach, our dedication to shaping a responsible and climate-resilient tomorrow remains unwavering. We have embraced cleaner and more efficient manufacturing practices by reducing energy consumption, minimising waste and optimising resource usage across our facilities. Our R&D efforts also focus on designing lighter, smarter and more eco-friendly defence solutions that meet future needs.

## Defending Our Future

We are shaping the next phase of defence and space innovation through advanced technologies and scalable capabilities. Our blueprint for the future includes diversifying the product portfolio, enhancing manufacturing infrastructure and deepening participation in global defence and space supply chains.

Innovation will continue to be the guiding light in our journey. By developing next-generation systems across high-impact areas,

supported by advanced design, testing and qualification facilities, we are optimistic of the endless possibilities that the future holds for us. Through increased investment in in-house capabilities and strategic partnerships, the Company aims to follow the create-ideate-innovate philosophy.

I would like to express my sincere gratitude to all our stakeholders for their continued trust and support. Your confidence in Paras Defence and Space Technologies has been central to our progress. As we look forward, we aim to build a stronger, future-ready organisation.

Yours Sincerely,

**Munjal Sharad Shah**  
Managing Director

# Serving the Nation

For over four decades, we have been at the forefront of delivering advanced engineering solutions that power India's defence and space sectors. Our distinctive strength lies in our distinguished Indigenously Designed Developed and Manufactured (IDMM) capabilities, enabling us to build a diversified portfolio, 100% made in India.

We seamlessly blend precision engineering with an acute understanding of evolving requirements to offer fully integrated solutions across Defence and Space Optics, Defence Electronics, Defence Heavy Engineering and EMP Protection. Each of our products reflects our dedication to innovation and uncompromising quality as well as our indomitable zeal to serve the nation.

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

## India's No. 1 High-End Optical Systems Company

Paras aims to become India's No. 1 High-End Optical Systems Company catering to the Domestic as well as World Market, through in-house R&D & global partnerships.

## India's No. 1 Laser Based Air Defence Company

Paras is in the process to offer turnkey Laser based Air Defence Solution and provide mitigation options against hostile drones and ariel targets. Coupled with other systems, we want to aim at providing all-round Air Defence Solutions.

## India's No. 1 Anti-Drone Company

We strive to become India's No. 1 company developing and producing cutting-edge Anti-Drone Technologies including Radars, Software Defined Radios, Phased Arrays & Advanced Antennas etc.

## India's No. 1 ElectroMagnetics Company

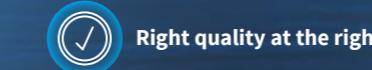
Paras aspires to offer turnkey solutions for ElectroMagnetic Protection covering EM Pulse, Anechoic Chambers & Antenna Test Ranges amongst others, not just for Domestic but for World Market.



## Our Fundamentals



Create- Ideate- Innovate



Right quality at the right time



Best resource in the right direction

## Our Differentiators

Manufacture, Produce, Test & Commission Products and Solutions such as High-end Optical Systems for various defence platforms (such as Armoured Vehicles, Naval Ships & Submarines, UAVs & Drones, Defence Aviation, Land), Optics & Optical Systems for Space, Border Surveillance & Defence Systems, ElectroMagnetic Pulse (EMP) Protection Systems, Anti-Drone Systems, Drone Detection & Jamming Systems, Software Defined Radios (SDRs) etc.

## Key Performance Highlights (FY25)

**₹333.85 Cr**

Revenue

**₹94.01 Cr**

EBITDA

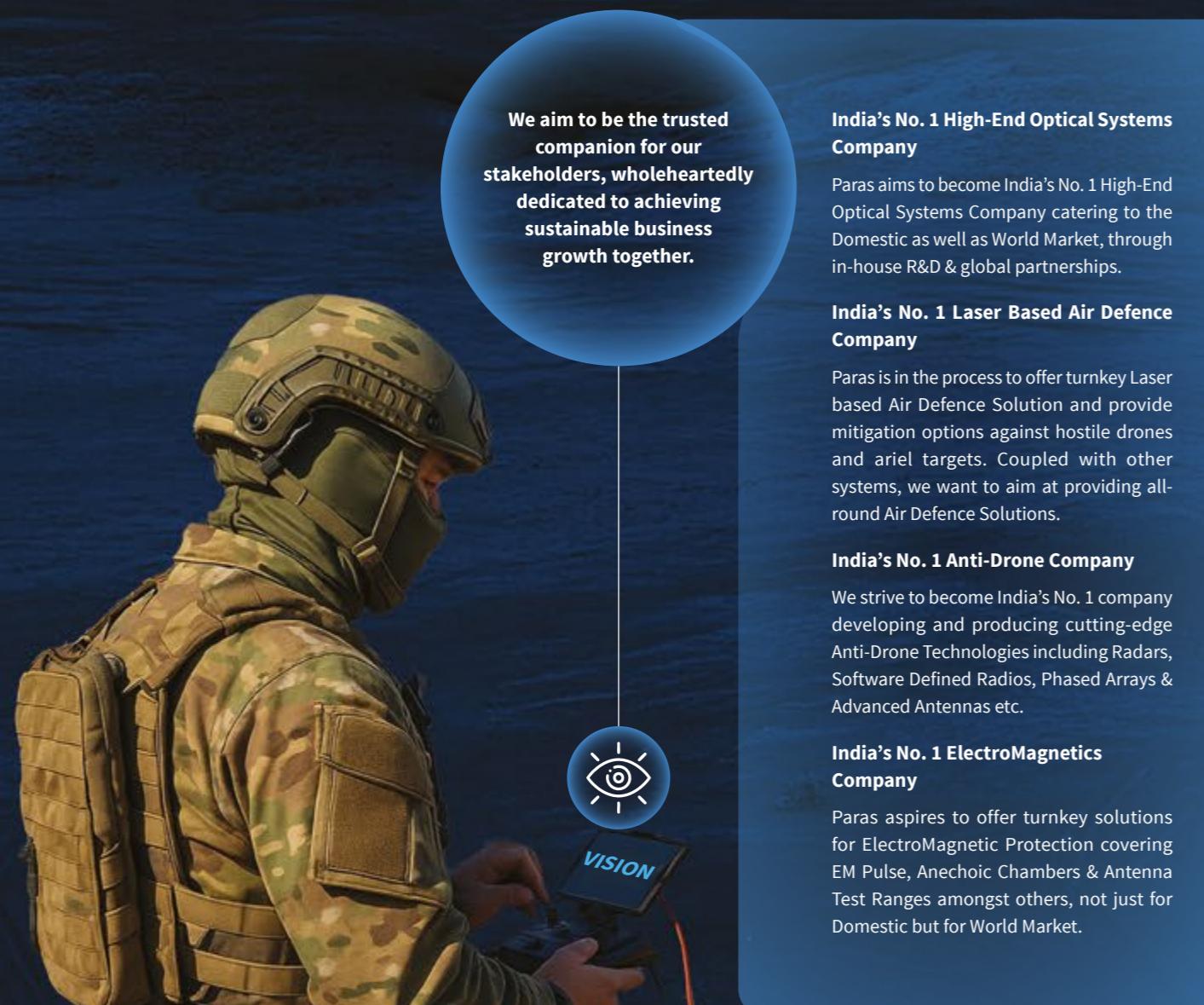
**₹65.07 Cr**

PAT

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



**MISSION**



## Trusted by the Best



## Catalysing Steady Ascent Through Strong Financial Management



# Building Aatmanirbhar Bharat



## Defence Sector

The Indian defence sector has witnessed a remarkable transformation over the years, evolving from an industry limited in scale to a self-reliant ecosystem. This growth has been steered by sustained policy reforms and strategic initiatives, all meticulously crafted to reduce dependence on imports. Consequently, the defence sector is striding towards robust domestic capabilities, embracing an innovative spirit and integrating private industry in strengthening national defence.

### Boosting Domestic Production

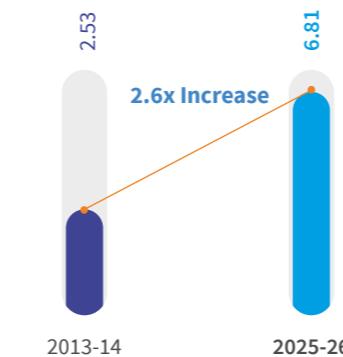
India's pursuit of self-reliance in defence manufacturing has significantly reduced its dependence on foreign suppliers. Through measures such as the Defence Acquisition Procedure (DAP) 2020, the Defence Production and Export Promotion Policy (DPEPP) and schemes such as iDEX and Make-II, the Government is nurturing home-grown solutions for national security.

**65%** of defence equipment is now **manufactured domestically**, marking a dramatic shift from the previous **65–70% import dependency**.

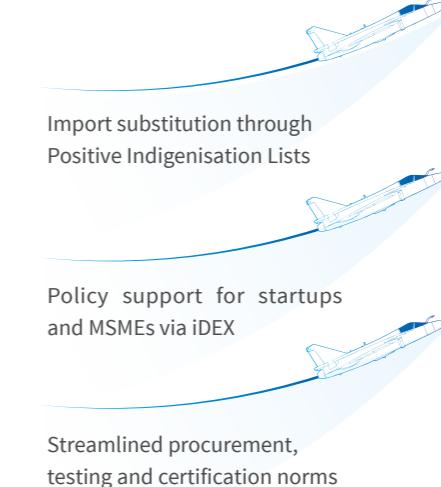


### India's Defence Budget Growth

(₹ Lakh Crore)



### Growth Drivers



R&D support through DRDO and Make-I/II mechanisms, with at least 25% of DRDO R&D projects earmarked for industry participation to further boost domestic technology development

### Promoting Defence Exports

The nation's ambition to transform from a defence importer to a global manufacturing powerhouse is gaining traction. Indian defence products are experiencing a surge in international markets due to simplified export regulations and robust government support, building credibility and fostering stronger strategic alliances.

### Our Strategy

We align our efforts with the vision of Atmanirbhar Bharat. At Paras Defence, our focus lies in crafting advanced optoelectronic systems, border surveillance technologies, high-power laser systems, EMP protection solutions, Defence Electronics & Anti-Drone Technologies and becoming a significant contributor to the Air Defence Technologies of the country, thereby bolstering India's modern warfare preparedness. Our expertise is underpinned by world-class manufacturing facilities and resolute dedication to innovation and technology development. While comprehensive design-to-delivery capabilities support indigenisation, global collaborations simultaneously enhance scalability.



<sup>1</sup><https://www.pib.gov.in/PressReleaseframePage.aspx?PRID=2114546>

**Space Sector**

India's transition from being a follower in space exploration to becoming a global enabler has served as an inspiration for developing countries worldwide. Backed by visionary leadership, indigenous capabilities and successful missions such as Chandrayaan, the transformation of the Indian space ecosystem is driven by bold ambitions, technological innovation and increasing global collaboration.

**Strengthening Indigenous Capabilities**

The Indian government is actively promoting domestic design and development of advanced space technologies. With the approval of the Indian Space Policy 2023, private sector participation is being encouraged in satellite manufacturing, launch vehicles and ground infrastructure. This pivotal shift is aiding ISRO's role from a service provider to an enabler of national space ambitions.<sup>2</sup>

To further invigorate the space start-up ecosystem, the government has approved the establishment of a **Rs.1000 crore** Venture Capital Fund dedicated to space sector. This fund, under aegis of IN-SPACe, is earmarked for deployment over the next five years.

**Commercialisation and Global Reach**

India's is actively working to increase its share in the global space economy with a particular focus on commercialising space activities. At the forefront of this ambition are NewSpace India Ltd. (NSIL) and IN-SPACe, diligently driving commercial engagements and empowering non-government players to build satellites, operate launch services and offer downstream applications. These concerted efforts are meticulously paving the path for India to emerge as a global space hub.

**Our Strategy**

We are the only Indian private company with the comprehensive, all-round capability to design, system engineer, manufacture, integrate, and qualify optical systems for space programmes. We continue to build

advanced optical components & payloads and hyperspectral imaging systems and subsystems for ISRO, private companies and export markets. Our collaborations, in-house R&D and indigenous manufacturing, place us at the heart of India's next-generation space missions.

**Growth Drivers****Indian Space Policy 2023:**

Lays the foundation for private and public sector collaboration

**Proven Track Record of Missions:**

India's reputation for executing successful space missions with faster timelines and reduced costs is a major growth driver, enhancing trust in Indian capabilities globally

**Technology Development:**

Focus on reusability, interplanetary missions and AI-based remote sensing

**Start-Up Ecosystem:**

Over 190+ space-tech startups supported by IN-SPACe and ISRO

**Global Demand:**

Rising interest in India's cost-effective, reliable launch and satellite capabilities



<sup>2</sup> <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2083766#:~:text=Towards%20this%C2%00Government%20has%20approved,demonstrate%20the%20technologies%20to%20come>  
<https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=154615&ModuleId=3>

# Empowering India, Redefining Excellence

At Paras Defence, we stand on a legacy built upon innovation, excellence and expertise. Our extensive range of products and solutions positions us as one-stop destination for diverse customer base. By consistently strengthening our role in contributing to India's defence capabilities, we have seamlessly delivered turnkey solutions that have set us apart in the industry.

## Business Vertical Overview

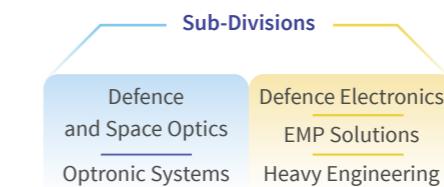
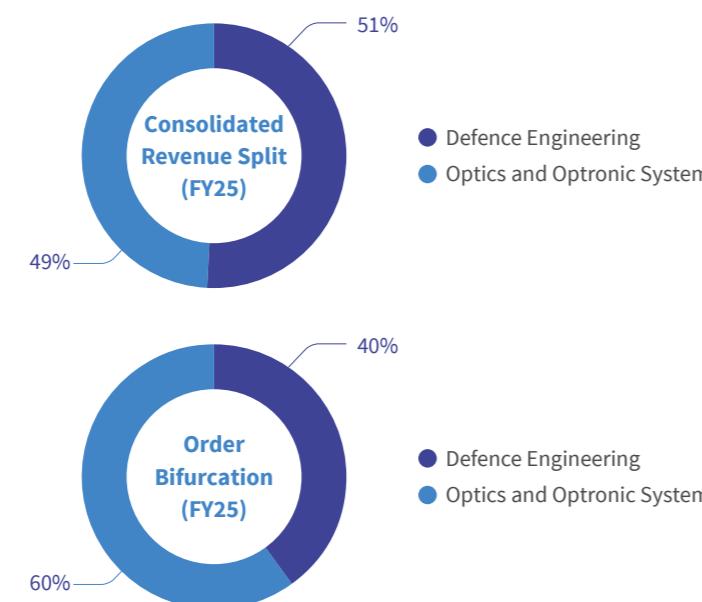
Our operations are structured across two core verticals, Optics and Optronic Systems and Defence Engineering. Both of the segment reflect our dedication to deliver value across high-impact applications in defence, aerospace and space applications. These verticals are powered by our R&D infrastructure, vertically integrated production capabilities and a proven track record of working with India's premier institutions and global partners. We are consistently pushing the limits of possibilities to meet current demands as well as anticipate future needs.

## Optics and Optronic Systems

We take pride in being the sole Indian private company equipped with the comprehensive capability to design and manufacture high-end Optical Systems such as Submarine optronic periscopes, EO/IR Systems for various platforms such as Armoured Vehicles, Border Surveillance, Naval Vessels, Avionics, Drones/UAVs etc., large-format space optics and hyperspectral imaging systems for Space Applications.

## Defence Engineering

This vertical houses our core engineering competencies across Electronics, Mechanical Systems and EMP Protection Solutions. From High Performance Defence Electronic Systems to Critical Mechanical Systems to Exclusive Turnkey Electromagnetic Pulse Protection Solutions, our offerings meet the highest technical and regulatory standards for defence and critical infrastructure.



## Defence and Space Optics

This vertical is involved in producing ultra-high precision optics tailored for thermal imaging, night vision, missile guidance and space imaging systems. We are India's leading company into optics for various Indian defence and space programmes, backed by in-house design & development expertise coupled with advanced optical manufacturing infrastructure.

### Our portfolio in this segment

|  |  |  |   |
|--|--|--|---|
| <p><b>IR Lenses</b></p> <p>These optical components serve as the cornerstone for thermal imaging cameras and night vision equipment used by border security officers and the armed forces across various electro-optic and infrared systems.</p>           | <p><b>Optical Domes</b></p> <p>Seamlessly integrated into missiles, these advanced optical components are crucial for ensuring precise target acquisition in demanding operational environments.</p>                               | <p><b>Gyro Blocks</b></p> <p>Our precisely-crafted gyroscope components enhance the positional accuracy of devices. They are crucial to improving the accuracy of inertial navigation systems, with key applications in avionics and space travel.</p> | <p><b>Diffractive Gratings</b></p> <p>These advanced optical components are integral to hyperspectral cameras, playing a vital role in an array of space-based applications, including Earth observation.</p> |
| <p><b>Large Size Space Mirrors</b></p> <p>Specialised for use in space telescopes, these mirrors with diameters ranging from 0.5 to 1.2 metres are designed for high-precision imaging tasks, particularly within Earth observation satellite systems.</p> | <p><b>Multi-Fold Lenses</b></p> <p>These compact and precision-focused lenses are designed for multi-axis optical systems, supporting advanced sighting and targeting solutions.</p>   | <p><b>Zerodur Mirrors</b></p> <p>These low-expansion glass ceramic mirrors are ideal for systems where optical stability is required across extreme thermal environments.</p>  | <p><b>Optical Reflectors</b></p> <p>These custom-designed optical elements deliver high-reflectivity and sharp beam control, making them well-suited for integration into missile and payload assemblies.</p> |
| <p><b>Metal Mirrors</b></p> <p>Built from aluminium or other comparable metals, these mirrors offer high surface reflectivity, making them ideal for large-scale, long-range imaging devices such as telescopes.</p>                                       | <p><b>Ultra Precision Manufacturing</b></p> <p>Our infrastructure includes CNC-based diamond turning, polishing and testing systems that support micron-level accuracy and repeatability across our range of optical products.</p> | <p><b>Lens Assembly</b></p> <p>We provide end-to-end lens assembly services, including alignment, bonding and housing, to deliver fully integrated opto-mechanical units suited for defence and space platforms.</p>                                   |   |

## Optronic Systems

Our Optronic Systems division delivers advanced sensor-based solutions that combine optics, electronics and precision engineering to support target detection, tracking and surveillance. Designed for reliable performance across various terrains and platforms, including submarines, UAVs and ground vehicles, these systems adapt to different operating environment. We offer complete in-house design, development and integration capabilities for these multi-sensor electro-optic systems.

### Our portfolio in this segment

#### Optical Submarine Periscope

An indigenously developed optronic periscope system featuring both day and night vision capabilities. It offers superior situational awareness and accurate target tracking for underwater platforms.

#### HyperSpectral Imaging System

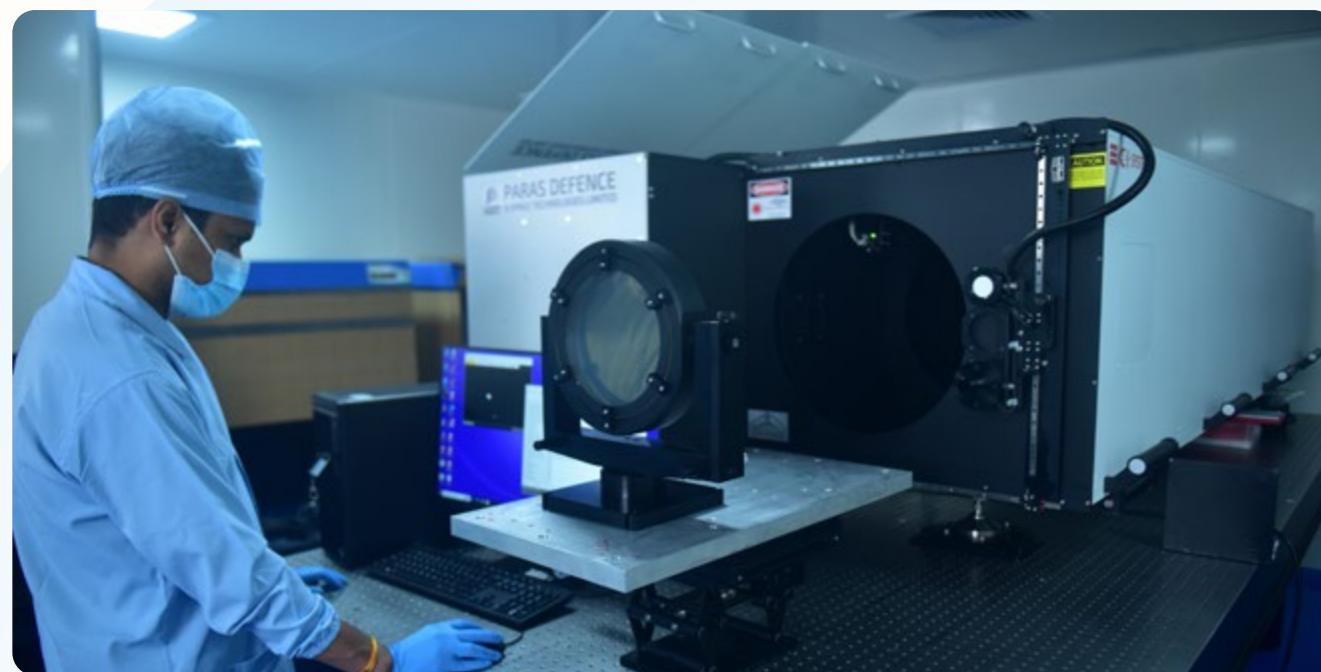
These systems provide high-resolution spectral data across multiple wavelengths, enabling detailed analysis and imaging for defence, space and environmental applications.

#### Border Surveillance System

Multi-sensor surveillance platforms designed for long-range detection, monitoring and tracking of potential threats across land and coastal borders.

#### EO/IR Systems

We have strategically formed a joint venture with Controp Precision Technologies Ltd., Israel's world-leading exclusive provider of EO/IR (Electro-Optical/Infrared) systems. This partnership aims to manufacture world-class EO/IR systems in India under the Make in India initiative, catering to various platforms including drones. Combining Controp's cutting-edge technology and our local manufacturing capabilities, the JV is well-positioned to deliver advanced surveillance and reconnaissance solutions critical for India's defence and space sectors.



## Defence Electronics

Our Defence Electronics vertical is dedicated to the development and production of high performance ruggedised electronic systems engineered to perform reliably even in the most demanding operating conditions. These systems are integral to command, control, surveillance, communication and weapon platforms. Developed in accordance with stringent military standards, our solutions blend precision engineering with reliable and high performance.

### Our portfolio in this segment

#### MIL Grade Control Systems

Designed for strategic operations, these systems manage and regulate platform functions with exceptional precision and operational safety.

#### MIL Grade Multi-Function Consoles

Compact, integrated consoles that serve as central control stations in armoured vehicles, naval systems and tactical platforms.

#### MIL Qualified Rugged Displays

Ruggedised display systems with high durability, clarity and performance under extreme conditions including shock, temperature and vibration.

#### MIL Grade Computers/Servers

Processing and data storage systems tailored for military environments, offering secure, high-speed computing in critical missions.

#### Rugged VME/VPX Systems

Modular embedded computing platforms that allow seamless integration of multiple mission-critical subsystems within compact defence setups.

#### Software Development

Custom software solutions for system control, sensor fusion and embedded applications tailored to defence specifications.

#### Sensing Electronics

Electronic modules designed to process and relay data from various sensors used in surveillance, targeting and detection.

#### Data/Video/Image Processing

High-speed processing systems capable of interpreting real-time sensor feeds and converting them into actionable visuals.

#### Acoustic and Magnetic Sensing Products

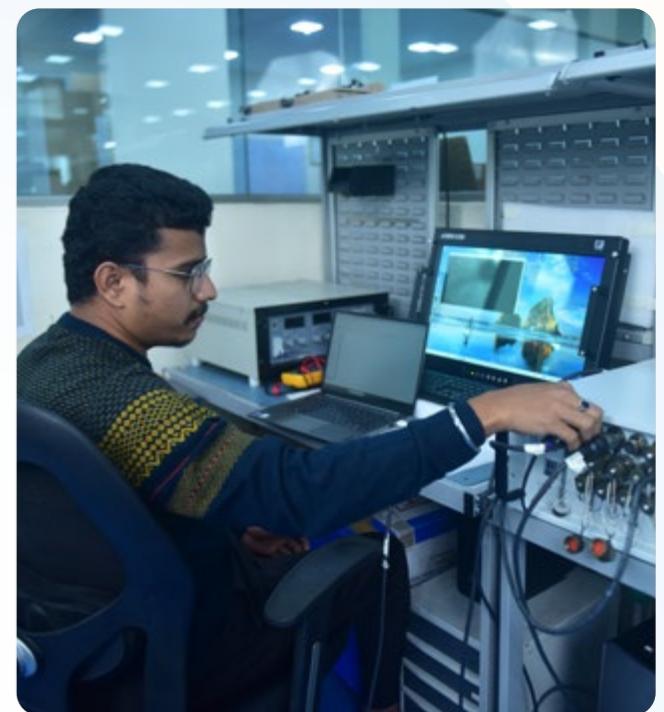
Advanced detection systems used for underwater and ground-based surveillance, monitoring variations in acoustic and magnetic fields.

#### Avionic Suites

Integrated electronic systems for aircraft including flight displays, controls and mission management modules.

#### Remotely Controlled Weaponised Station (RCWS)

A stabilised, remote-operated platform that integrates weapon systems with electro-optical sights and control interfaces. Designed for deployment on combat vehicles and naval vessels, it enhances operational effectiveness while minimising risk to personnel.



## EMP Solutions

Our EMP Solutions include advanced shielding systems designed to protect critical infrastructure and defence electronics from electromagnetic pulse (EMP) threats. As the only Indian company offering complete turnkey solutions, we provide end-to-end services encompassing design, manufacturing, installation and validation. These solutions meet global military standards and are deployed across mission-critical installations.

### Our portfolio in this segment

#### EMP Shielded Rooms and Control Centers

Fully enclosed shielded environments that ensure uninterrupted operation of sensitive electronic systems during high-energy EMP events.

#### EMP Shielded Racks and Cabinets

Purpose-built enclosures that protect servers, communication equipment, and control hardware from electromagnetic interference and pulse surges.

#### Anechoic/Semi Anechoic Chambers

Specialised test environments with controlled electromagnetic absorption, used for EMI/EMP testing and equipment qualification.

#### EMP Protection Filters/Arrestors

High-performance filters and arrestors designed to prevent EMP surges from entering power and signal lines, ensuring system stability.

#### Shielded/Screen Doors

Engineered access doors with high shielding effectiveness that maintain EMP integrity while allowing controlled physical entry.

#### EMP Hardened Products

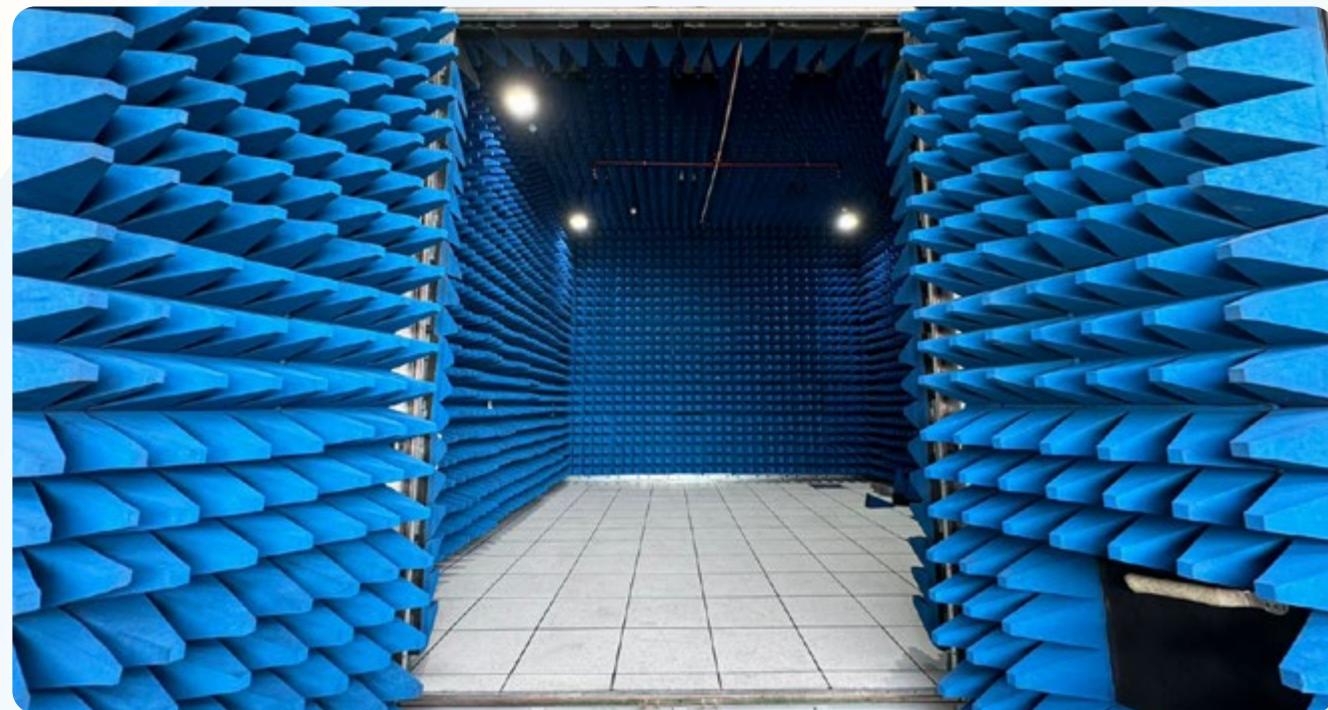
Custom-manufactured components and enclosures designed with inherent EMP resistance for high-risk operational environments.

#### Air Vents/Wave-guides/Panels

Shielded passive components such as waveguide panels and air vents that allow airflow and cable access without compromising EMP protection.

#### Turnkey EMP Projects

End-to-end implementation services including site assessment, system design, product integration, testing and compliance certification.



## Heavy Engineering

Our Heavy Engineering vertical is dedicated to delivering precision-engineered mechanical systems and large structural assemblies that support mission-critical defence and space applications. Backed by strong in-house capabilities across special metal processing, fabrication and machining, we support complex system requirements, ranging from radar support to mobility platforms and aerospace-grade components. Our state-of-the-art infrastructure enables the delivery of high-quality, high-strength solutions tailored for diverse operating environments.

### Our portfolio in this segment

#### Flow Formed Tubes

High-strength, lightweight tubes manufactured using flow forming technology, ideal for aerospace structures and propulsion systems.

#### Active Array Radar Cooling Assemblies

Custom-designed thermal management systems used in active electronically scanned array (AESA) radar platforms to ensure optimal performance.

#### Titanium Manufacturing

Processing and machining of titanium components used in defence and aerospace systems for their superior strength-to-weight and corrosion-resistant properties.

#### Special Metal Manufacturing

Fabrication and treatment of exotic alloys and materials required for high-performance defence structures and precision assemblies.

#### Heavy Structures

Large fabricated mechanical structures and platforms used across defence projects requiring high-load endurance and dimensional accuracy.

#### Special Purpose Machines

Custom-built machinery designed for defence production and testing processes, tailored to customer specifications and mission needs.

#### MIL Grade Racks and Cabinets

Rugged enclosures that house sensitive military electronics, designed to meet shock, vibration, and thermal compliance standards.

#### Rugged Tri-Pods and Quadri-Pods

Stable, high-load mounts used for sensors, weapon systems, and surveillance equipment in field operations.



## Unifying Our Strengths

Our specialised subsidiaries play a pivotal role in unifying strengths and driving collective progress. These subsidiaries extend our capabilities across high-impact areas including anti-drones, quantum technologies and thermal solutions. In addition to enhancing our competitive edge, these entities ensure operational prowess and efficient supply chain management. Each entity makes a significant contribution to our growth journey, accelerating innovation and expanding market reach.



### Paras Anti-Drone Technologies Pvt. Ltd.

This subsidiary develops cutting-edge technologies in radars, phased array antennas, software defined radios and anti-drone systems. Its offerings are designed to address emerging aerial threats and strengthen perimeter security through innovative, indigenous solutions.

**55%**

Holding of Paras



### Opel Technologies Pte. Ltd.

Serving as the supply chain backbone for Paras and its subsidiaries, this wholly-owned subsidiary ensures seamless material and logistics support. It plays a crucial role in enhancing execution speed and vendor integration.

**100%**

Holding of Paras



### Quantico Technologies Pvt. Ltd.

Quantico is at the forefront of quantum technology development, with capabilities in quantum communication, quantum sensing and quantum computing. This subsidiary provides us with the competitive edge with next-generation defence technology.

**100%**

Holding of Paras



### MechTech Thermal Pvt. Ltd.

This entity focuses on developing thermal management solutions for defence and space platforms. Its offerings are integral to managing heat loads in high-power systems such as radars, satellites and tactical electronics.

**70%**

Holding of Paras



**60%**

Holding of Paras



### Ayatti Innovative Pvt. Ltd.

An innovation-focused entity contributing to technological R&D across software, electronics and system design. It supports niche development programmes across our verticals.

**58.02%**

Holding of Paras



## Shaping the Future of Defence

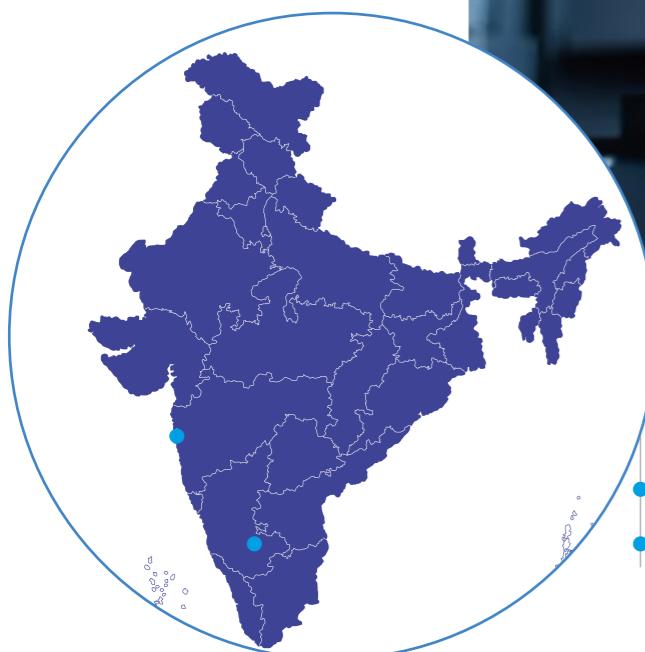
Research and development remains at the core of our identity as a technology-first defence Company. Our in-house R&D units, recognised for their advanced technical capabilities, support end-to-end product development across high-impact domains.

In FY25, our efforts were directed towards developing and upgrading next-generation systems including hyperspectral imaging payloads, rugged control electronics, periscopes and EO/IR platforms. These initiatives were supported by our facilities equipped for design, testing, and MIL-STD qualification of advanced sub-systems and assemblies.

**100+**

R&D Team members

We expanded our product development scope through collaborations with our subsidiaries in drone technology, anti-drone systems and radar-linked electronics. Our growing R&D pipeline is aligned with India's self-reliance objectives, focusing on the design and development of fully indigenously solutions.



We have  
secured  
patents for

EMP Protected  
Rugged Display

Shock/Vibration  
Proof Heavy  
Duty Console

Electromagnetic  
Pulse Protected  
Rack

OUR WORK HAS ALSO BEEN RECOGNISED THROUGH ACCREDITATIONS SUCH AS



# Leveraging Manufacturing Prowess to Scale Responsibly

Our manufacturing excellence is driven by an advanced manufacturing infrastructure that supports a diversified portfolio of solutions tailored to evolving customer requirements. Through investments in specialised capabilities across optics, electronics, mechanics and electromagnetic protection, we continue to bolster our manufacturing prowess and maintain our competitive edge.



## Exceptional Capabilities

We boast a formidable breadth of technical prowess across multiple disciplines, positioning itself as a one-stop solution provider from concept to completion. Its integrated expertise in Design & R&D, precision Manufacturing, seamless Integration, and rigorous Test & Validation ensures delivery of high-performance, mission-critical systems. Whether it is engineering the tiniest components or orchestrating complex defence technologies, our exceptional capabilities make it a trusted partner for innovation and execution at scale.



### Design & R&D

- |                          |                        |
|--------------------------|------------------------|
| Optronic System Design   | Software Development   |
| Opto-Mechanical Design   | ElectroMagnetic Design |
| Optical Design           | RF/Microwave Design    |
| Electronic System Design | Antenna Design         |
| Embedded System Design   | Mechanical Design      |
| Electronic H/W Design    |                        |



### Manufacturing

- |                     |                             |
|---------------------|-----------------------------|
| Infra-Red Lenses    | Mechanical Racks & Consoles |
| Optical Mirrors     | Cold Plates                 |
| Optical Domes       | Doors & Hatches             |
| Optical Gratings    | Airvents & Waveguides       |
| Flowformed Tubes    | Wiring Harnesses            |
| Titanium Assemblies |                             |



### Integration

- |                           |                         |
|---------------------------|-------------------------|
| Submarine Periscope       | Control Systems         |
| Border Defence Systems    | High Performance PCs    |
| Hyper-Spectral Cameras    | Rugged Displays         |
| Optical Systems           | Anti-Drone Systems      |
| Command/ Control Consoles | Software Defined Radios |



### Test & Validation

- |                          |                          |
|--------------------------|--------------------------|
| Physical Metrology       | High Pressure Test Setup |
| Optical Metrology        | Design Validation Tools  |
| MTF Test Setup           | RF Test Setup            |
| Electronic Test Setup    | Antenna Test Setup       |
| Electrical Test Setup    |                          |
| Environmental Test Setup |                          |

# Driven by People, Committed to the Best

Our people stand as the unshakeable force behind our success. As a Company driven by engineering excellence and innovation, we prioritise attracting, nurturing and retaining individuals who bring deep domain expertise, passion and a strong sense of ownership to their roles.



## Empowered by Women

Paras has a very high percentage of Women team members and hence rather than Women Empowerment, we are empowered by Women

## Nurturing for Bright Future

Paras offers opportunities to young talent and is always ready to give the 'Best in the Industry' career exposure to such young talent, which is the Bright Future of our Country.

## Make a Better Place

Paras Defence credits its success to its team and will strive to ensure conducive environment all its team members and social stakeholders.

## Make A Difference

Paras Defence would like to positively make a difference to the social environment by offering employment.

## Building a Future-Ready Workforce

We remain committed to strengthening our workforce through structured hiring, internal mobility and skill enhancement initiatives. Our teams contribute across disciplines, playing a critical role in delivering complex solutions for defence and space programmes.

## Learning and Capability Development

At Paras, learning is a continuous process. Employees participate in on-the-job learning, specialised workshops and cross-functional mentoring programmes that help them remain abreast of latest developments. These initiatives help in building individual capabilities while supporting our broader innovation goals.



## Blood Donation Camp

Paras Defence and Space Technologies Limited - whose Spirit flows in every drop- our employees selfless action has given life new hope. When saving lives becomes a mission, our team leads with selfless vision.





In November 2024, Dr. S. Somanath, Distinguished Scientist (Apex Grade) and Secretary, Department of Space (DoS), Chairman, Space Commission and Chairman, ISRO inaugurated an advanced, state-of-the-art optical systems testing facility of Paras Defence & Space Technologies Ltd in Nerul, Navi Mumbai, in the presence of the Company's Managing Director Mr. Munjal Shah.

#### Fostering a Culture of Collaboration

We strive to create a collaborative, open and performance-driven culture. Regular technical reviews, interdepartmental coordination and leadership accessibility promote seamless teamwork. This culture facilitates agile decision-making and ensures a shared sense of accountability and ownership.



#### Ensuring Health, Safety and Well-being

Our facilities adhere to robust safety protocols, supported by periodic audits, drills and awareness initiatives. The well-being of our employee is of paramount importance, and we strive to embed this commitment into our culture through proactive engagement and supportive policies.



#### Employee Strength

As we scale our operations, we remain focused on empowering our people to grow in tandem with the organisation and make meaningful contributions to national progress.



# Engaging to Drive Progress

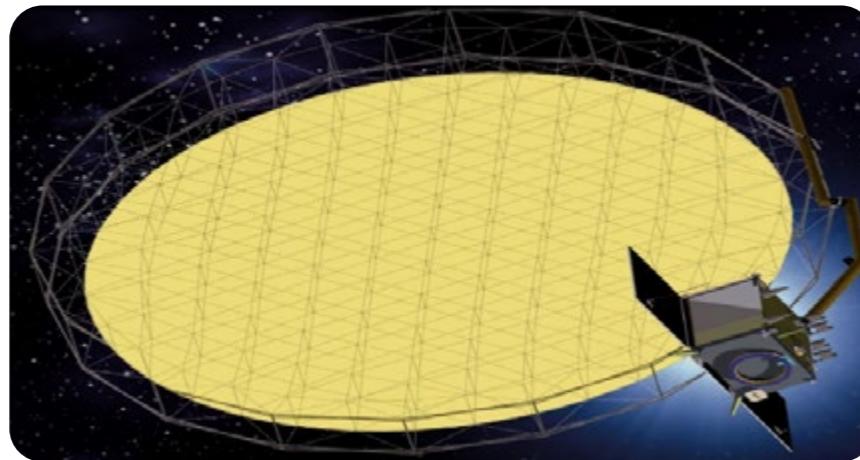
| Stakeholder                    |  Employees   |  Shareholders/Investors |  Suppliers and Distributors                    |  Community |  Government and Regulatory Bodies |  Customers |
|--------------------------------|---|--|---|---|--|---|
| <b>Why do we engage</b>        | To drive innovation, retain talent, and promote a safe, inclusive and growth-oriented work environment.                                       | To maintain transparency and communicate financial and strategic performance                             | To ensure timely delivery, quality standards, and long-term partnerships  | To contribute to national development, support inclusive growth and promote local welfare.    | To ensure legal compliance and maintain alignment with national defence policies                                     | To meet evolving defence and space needs through quality, timely, and compliant solutions.    |
| <b>Channel of engagement</b>   | In-Person, Email (internal communication), Notices and Communication Mechanisms   | Emails, Newspaper, Advertisement, web-site of the Company and Stock Exchanges and General Meetings       | Vendor assessment and review, Training workshop, Supplier audits, official communication channels: Website, Email and Phone calls | CSR initiatives   | Compliance Reports, Regulatory audits/inspections  | Customer meets, website, Phone calls, emails, exhibitions, conferences and business meetings  |
| <b>Frequency of engagement</b> | Regular<br><br>We interact in-person or send regular communication as and when business functions ask for it. It varies on case to case basis | Quarterly and Event specific as per Statutory Requirement.   | Ongoing   | Annual and on need basis  | Quarterly, Half Yearly, Annually and on need basis   | Frequently and as and when required   |
| <b>KPIs of FY25</b>            |   | <b>₹ 65.07 Cr</b><br>Profit After Tax  |   |   |  | <b>₹ 928 Cr</b><br>Order Book   |

## Our Hall of Fame

Our success on the Innovations for Defence Excellence (iDEX) platform stands as a testament to our R&D leadership and our ability to co-develop mission-critical systems for strategic applications. We are proud to have been selected as winners of four iDEX challenges, each aligned with future-forward technologies across defence and space. These projects uphold our indigenous design and manufacturing capabilities and unlock new opportunities to serve both domestic and global markets.

### Synthetic Aperture Radar (SAR) for IAF

Awarded under the Indian Air Force's iDEX challenge, this project involves the development of a space-based SAR system for all-weather surveillance. With a total addressable market of \$26.53 billion, this platform will be instrumental in enabling enhanced reconnaissance, monitoring and disaster response capabilities from space. Our radar system is being designed to deliver advanced imaging performance with high resolution and wide coverage.

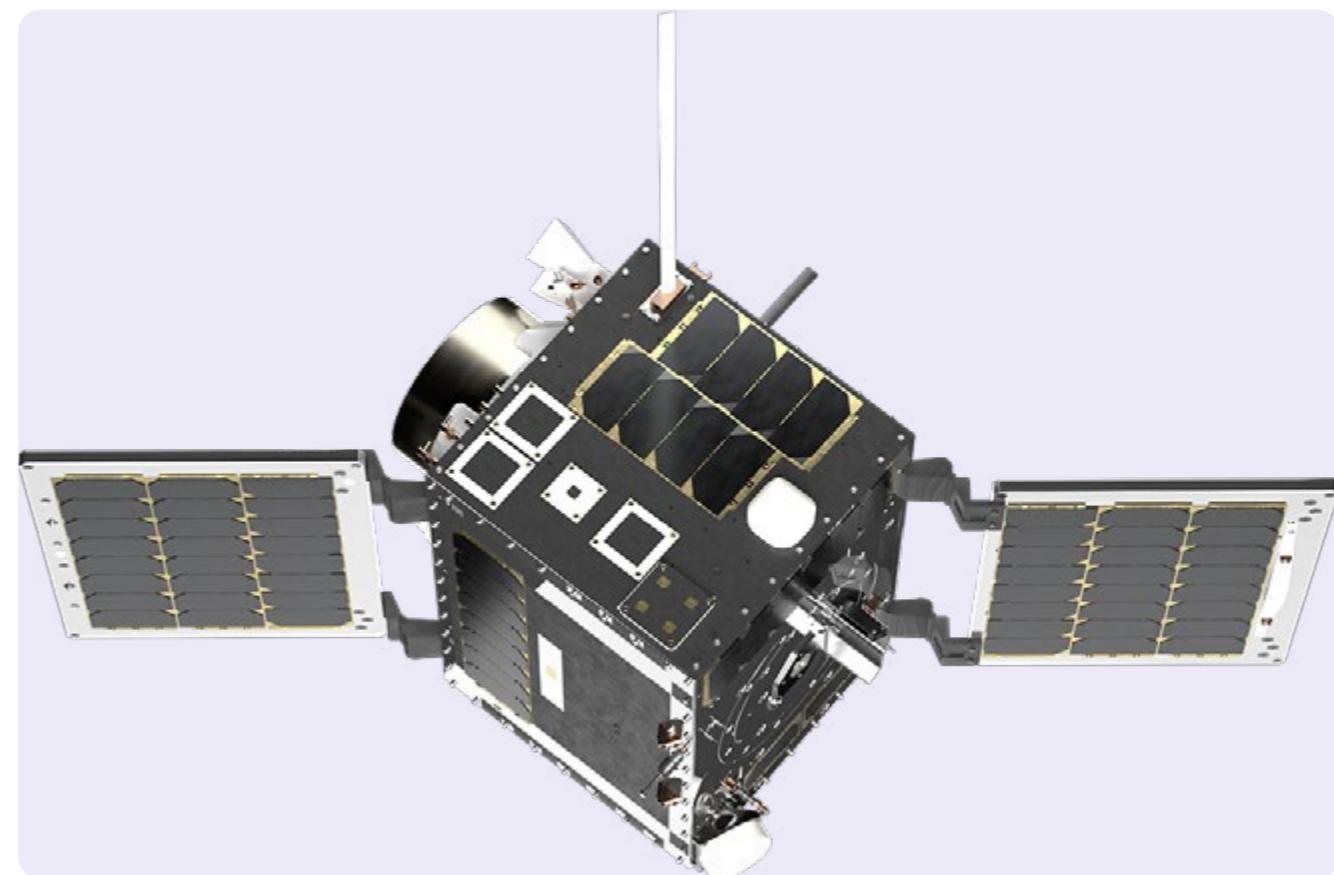


### Smart Anti-Jamming System – Compact Variant

Selected by the Indian Army, this iDEX award focuses on building a compact anti-jamming system capable of countering interference in GNSS-based systems. As modern warfare becomes increasingly reliant on precision navigation and timing, our solution will provide critical protection for tactical operations from electronic threats. The project addresses a global TAM of \$4.29 billion, and our design emphasises portability, high endurance and platform versatility.

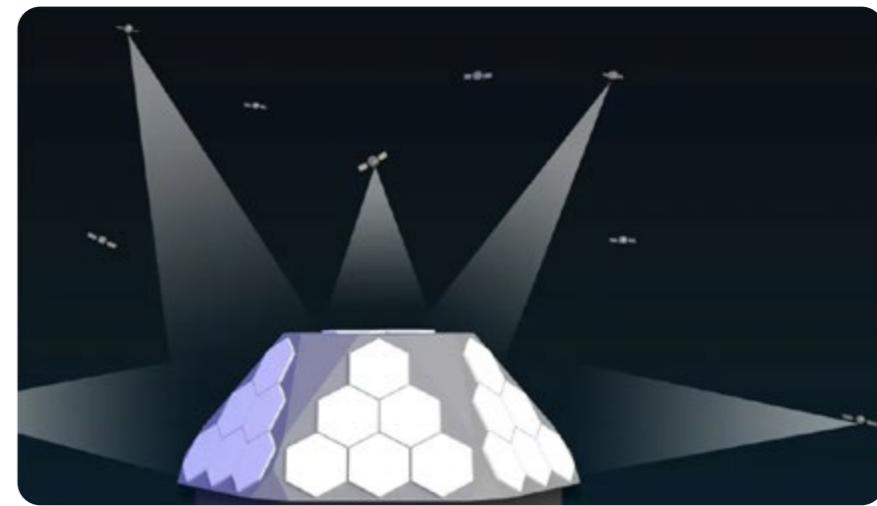
### Smart Anti-Jamming System – High-Performance Variant

We secured a second contract by the Indian Army for a high-performance version of the Smart Anti-Jamming System, targeted for high-threat and high-precision applications. This version will incorporate enhanced signal processing and ruggedisation to meet mission-critical defence needs. While targeting similar market potential, this variant is geared for more complex operational environments.



### Mobile Ground Station for Satellite Communication

This project, awarded by the Defence Space Agency (DSA), involves the development of a mobile ground station for secure and high-throughput satellite communications. It will serve as a key enabler in defence space infrastructure and mobility-focused C4ISR applications. With a TAM of over \$60.7 billion, the solution will provide robust connectivity for space assets across dynamic terrains and combat zones, reflecting the growing convergence between space and defence technologies.



## 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 Dhirendra  
Bhansali**  
Chief Financial Officer



**Jajalya 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



**Yellamanda Y**  
Ex-BEL

## India's Best Optics Team



**Krishna Murthy**  
Ex-ISRO



**MV Rajashekhar**  
Ex-BEL



**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 Dhirendra 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. DM & Associates Company Secretaries LLP

Secretarial Auditors

### M/s. Dinesh Jain & Company, Cost Accountants

Cost Auditors

## BANKERS

Kotak Mahindra Bank Limited

NKGSB Co-operative Bank Limited

ICICI Bank Limited

## REGISTRAR & SHARE TRANSFER AGENT

MUFG Intime India Private Limited

(formerly known as 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. 022- 49186060

E-mail: [mumbai@in.mmps.mufg.com](mailto:mumbai@in.mmps.mufg.com)

## 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](mailto:business@parasdefence.com)

Website: [www.parasdefence.com](http://www.parasdefence.com)

CIN: L29253MH2009PLC193352

## FACTORY

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

Tel. No. +91-251-2620333

## REGIONAL OFFICE

23, 2<sup>nd</sup> Floor, Sankey Square,  
Lower Palace Orchards, Bengaluru – 560003.

Tel. No. 08023464139

Fax No. 08023464142

108/A, Survey No. 262 IDA,  
Phase-2, B N Reddy Nagar,  
Cherlapalli, Hyderabad – 500051.

# NOTICE OF 16<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 16<sup>th</sup> (Sixteenth) Annual General Meeting of the Members of Paras Defence and Space Technologies Limited will be held on Thursday, August 21, 2025 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, 2025 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, 2025 together with the Reports of Auditors thereon;

### 2. TO DECLARE A DIVIDEND ON EQUITY SHARES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

To declare a final dividend of ₹ 0.50/- per equity share of ₹ 5/- each for the financial year ended March 31, 2025.

### 3. RE-APPOINTMENT OF DIRECTOR WHO RETIRES BY ROTATION

To re-appoint Mr. Sharad Virji Shah (DIN: 00622001), who retires by rotation, and being eligible, has offered himself for reappointment.

## SPECIAL BUSINESS

### 4. APPOINTMENT OF M/S. DM & ASSOCIATES, COMPANY SECRETARIES LLP, AS SECRETARIAL AUDITORS OF 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 204 and other applicable provisions if any, of the Companies Act, 2013 read with Rule 9 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification thereof for the time being in force and as may be enacted from time to time) and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, and pursuant to the recommendation of the Audit Committee and approval of Board of Directors, M/s. DM & Associates, Company Secretaries LLP (Firm Registration No: L2017MH003500) be and is hereby appointed as the Secretarial Auditors of the Company to hold office for a period of five consecutive years commencing from FY 2025-26 till FY 2029-30, at such remuneration as may be mutually agreed between the Board of Directors, Audit Committee and the Secretarial Auditors.

**RESOLVED FURTHER THAT** the Board/Committee, be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing 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. RATIFICATION OF REMUNERATION OF COST AUDITORS FOR FY 2025-26

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 (Firm Registration Number: 100583), amounting to ₹ 1,10,000/- (Rupees One Lakh Ten Thousand 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 2025-26, 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.”

### 6. APPROVAL OF MATERIAL 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 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/continue 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 Rs. 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."

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

**Jajvalya Raghavan**  
Company Secretary and Compliance Officer

Date: July 25, 2025  
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](mailto:business@parasdefence.com)  
Website: [www.parasdefence.com](http://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, General Circular No. 09/2023 dated September 25, 2023 and Circular No. 09/2024 dated September 19, 2024 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, Circular No. SEBI/HO/CFD/CFP-PoD-2/P/CIR/2023/167 dated October 07, 2023 and Circular No. SEBI/HO/CFD/CFDPoD-2/P/CIR/2024/133 dated October 3, 2024 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 16<sup>th</sup> AGM of the Company is being held through VC/OAVM on Thursday, August 21, 2025, 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. 4, 5 and 6 in the Notice of this 16<sup>th</sup> 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
- f. Regulations are furnished in the explanatory statement which is annexed hereto.
- g. 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](mailto:cs@parasdefence.com) from their registered e-mail address mentioning their name, DP ID and Client ID.
- h. The register of members and share transfer books of the Company will remain closed from Friday, August 15, 2025 to Thursday, August 21, 2025 (both days inclusive) for the purpose of determining eligibility of the members for the purpose of e-voting and AGM.
- i. In line with the Ministry of Corporate Affairs (MCA) Circular No.14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 and Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 Circular No. 17/2020 dated April 13, 2020, Notice of the AGM along with the Annual Report 2024-25 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 2024-25 will also be available on the Company's website [www.parasdefence.com](http://www.parasdefence.com), websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of MUFG Intime India Private Limited [www.in.mpms.mufg.com](http://www.in.mpms.mufg.com)
- j. In case any Member is desirous of obtaining physical copy of the Annual Report for the FY 2024-25 and Notice of the AGM of the Company, he/she may send a request to the Company by writing at [cs@parasdefence.com](mailto:cs@parasdefence.com) mentioning their DP ID and Client ID.
- k. 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@yahoo.com](mailto:dinesh.deora@yahoo.com) with a copy marked to <https://instameet.in.mpms.mufg.com>.
- k. Record Date and Dividend:** Members may note that the Board, at its meeting held on April 30, 2025, has recommended a final dividend of ₹ 0.50/- per equity share of ₹ 5/- for the financial year ended March 31, 2025. The record date for the purpose of final dividend is Friday, August 08, 2025. The final

dividend once approved by the members in the ensuing AGM, will be paid within 30 days after approval of the members in the ensuing Annual General Meeting (AGM). As per SEBI requirements, effective from 1<sup>st</sup> April, 2024, Companies are allowed to make dividend payments only in electronic mode. To ensure timely credit of dividend, members are requested to update their KYC with their depositories/depository participants (DPs) before the cut-off date. Members are hereby informed that bank particulars registered with their respective DPs, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. Members are requested to intimate any change in their address and / or bank mandate to their DPs only, as the Company or its RTA cannot act on any request received directly on the same.

As per Indian Income Tax Act, 1961 dividend paid and distributed by a Company is taxable in the hands of members. Therefore, the Company is required to deduct taxes at source (TDS) at the rates applicable on the amount distributed to the members at prescribed rates. For information on prescribed rates, members are requested to refer to the Finance Act, 2020 and subsequent amendments thereof. The members are requested to update their PAN details, tax residential status with their depository participants. No tax shall be deducted on the dividend payable to a resident individual member if the total dividend to be received during financial year 2025-26 does not exceed ₹ 10,000/- . The withholding tax rate (TDS rate) would vary depending on the residential status of the member and the documents submitted by them and accepted by the Company.

A resident individual member with PAN who is not liable to pay income tax can submit a yearly declaration in Form 15G/15H. To avail the benefit of non-deduction of tax, members may send duly signed forms to Company's RTA at <https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html> by Tuesday, August 5, 2025 (upto 6.00 p.m. IST). Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident members can avail beneficial rates under tax treaty between India and their country of residence subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by updating details at <https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html>. The said declarations need to be submitted by Tuesday, August 5, 2025 (upto 6.00 p.m. IST). The Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company/RTA.

A separate email communication is being sent informing the members regarding the relevant procedure to be adopted by the Members to avail the applicable tax rate as per the Income Tax Act, 1961.

## I. INFORMATION 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 MUFG 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 MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited).
- ii. Members may note that the VC/OAVM facility, allows participation of atleast 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://instameet.in.mpms.mufg.com> by using their remote e-voting login credentials and selecting the link available against the EVEN 250347 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 Monday, August 18, 2025 at 9:00 a.m. (IST) and ends on Wednesday, August 20, 2025 at 5:00 p.m. (IST). During this period, members of the Company, holding shares as on the cut-off date of Thursday, August 14, 2025, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by MUFG InTime India 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.

- 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. Thursday, August 21, 2025.
- 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 MUFG InTime India Private Limited i.e. [www.in.mpms.mufg.com](http://www.in.mpms.mufg.com). 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 Thursday, August 14, 2025, 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](mailto:cs@parasdefence.com) at least seven days prior to the date of Annual General Meeting. The same shall be replied suitably by the Company.

## **INSTRUCTIONS FOR MEMBERS RELATING TO E-VOTING AND JOINING AGM ARE AS UNDER:**

### **Remote e-Voting Instructions for members:**

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

*Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access remote e-Voting facility.*

### **Login method for Individual shareholders holding securities in demat mode**

Individual Shareholders holding securities in demat mode with NSDL:

## **METHOD 1 - NSDL IDeAS facility**

### **Shareholders registered for IDeAS facility:**

- a) Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "IDeAS Login Section".
- b) Click on "Beneficial Owner" icon under "IDeAS Login Section".
- c) Post successful authentication, you will be able to see e-Voting services under Value added services section. Click on "Access to e-Voting" under e-Voting services.
- d) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

### **Shareholders not registered for IDeAS facility:**

- a) To register, visit URL: <https://eservices.nsdl.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- b) Enter 8-character DP ID, 8-digit Client ID, Mobile no, Verification code & click on "Submit".
- c) Enter the last 4 digits of your bank account / generate 'OTP'

Shareholders/  
Members can also  
download NSDL Mobile  
App "NSDL Speede"  
facility by scanning the  
QR code mentioned  
below for seamless  
voting experience.



- d) Post successful registration, user will be provided with Login ID and password. Follow steps given above in points (a-d).

## **METHOD 2 - NSDL e-voting website**

- a) Visit URL: <https://www.evoting.nsdl.com>
- b) Click on the "Login" tab available under 'Shareholder/ Member' section.
- c) Enter User ID (i.e., your 16-digit demat account no. 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 will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

## **METHOD 3 - NSDL OTP based login**

- a) Visit URL: <https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp>

- b) Enter your 8 - character DP ID, 8 - digit Client ID, PAN, Verification code and generate OTP.
- c) Enter the OTP received on your registered email ID/ mobile number and click on login.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

#### **Individual Shareholders registered with CDSL Easi/ Easiest facility**

##### **METHOD 1 - CDSL Easi/ Easiest facility:**

###### **Shareholders registered for Easi/ Easiest facility:**

- a) Visit URL: <https://web.cdsindia.com/myeasitoken/Home/Login> or [www.cdsindia.com](http://www.cdsindia.com) & click on New System Myeasi Tab.
- b) Enter existing username, Password & click on "Login".
- c) Post successful authentication, user will be able to see e-voting option. The e-voting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

###### **Shareholders not registered for Easi/ Easiest facility:**

- a) To register, visit URL: <https://web.cdsindia.com/myeasitoken/Registration/EasiRegistration> / <https://web.cdsindia.com/myeasitoken/Registration/EasiestRegistration>
- b) Proceed with updating the required fields for registration.
- c) Post successful registration, user will be provided username and password. Follow steps given above in points (a-c).

##### **METHOD 2 - CDSL e-voting page**

- a) Visit URL: [https://www.cdsindia.com](http://www.cdsindia.com)
- b) Go to e-voting tab.
- c) Enter 16-digit 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) Post successful authentication, user will be able to see e-voting option. The e-voting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to 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, user shall navigate through "e-voting" option.
- c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.
- d) Post successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

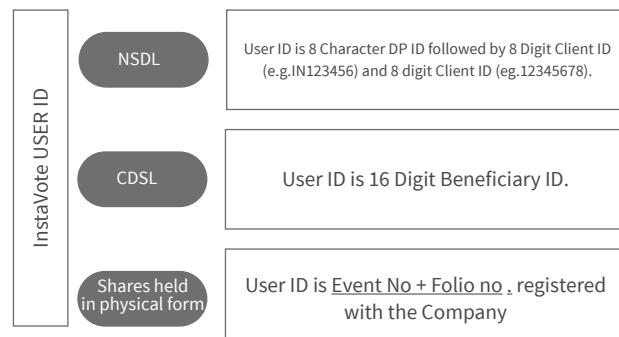
#### **Login method for shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode.**

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register and vote on InstaVote as under:

##### **STEP 1: LOGIN / SIGNUP to InstaVote**

###### **Shareholders registered for INSTAVOTE facility:**

- a) Visit URL: <https://instavote.linkintime.co.in> & click on "Login" under 'SHARE HOLDER' tab.
- b) Enter details as under:
  1. User ID: Enter User ID
  2. Password: Enter existing Password
  3. Enter Image Verification (CAPTCHA) Code
  4. Click "Submit".(Home page of e-voting will open. Follow the process given under "Steps to cast vote for Resolutions")



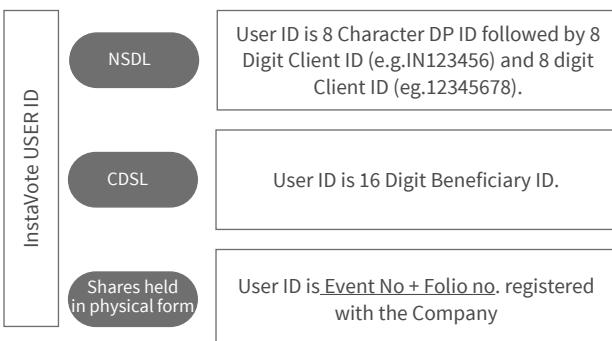
### Shareholders not registered for INSTAVOTE facility

- a) Visit URL: <https://instavote.linkintime.co.in> & click on “Sign Up” under ‘SHARE HOLDER’ tab & register with details as under:
1. User ID: Enter User ID
  2. 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.)
  3. DOB/DOL: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format)
  4. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
    - Shareholders holding shares in **NSDL form**, shall provide ‘D’ above
    - Shareholders holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above
  5. 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).

6. Enter Image Verification (CAPTCHA) Code.
7. Click “Submit” (You have now registered on InstaVote).

Post successful registration, click on “**Login**” under ‘SHARE HOLDER’ tab & follow steps given above in points (a-b).



### STEP 2: Steps to cast vote for Resolutions through InstaVote

- A. Post successful authentication and redirection to InstaVote inbox page, you will be able to see the “Notification for e-voting”.
- B. Select ‘View’ icon. E-voting page will appear.
- C. 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).
- D. After selecting the desired option i.e. Favour / Against, click on ‘Submit’.
- E. 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.

**NOTE:** Shareholders may click on “Vote as per Proxy Advisor’s Recommendation” option and view proxy advisor recommendations for each resolution before casting vote. “Vote as per Proxy Advisor’s Recommendation” option provides access to expert insights during the e-Voting process. Shareholders may modify their vote before final submission.

Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

### Guidelines for Institutional shareholders (“Custodian / Corporate Body/ Mutual Fund”)

#### STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration

- A. Visit URL: <https://instavote.linkintime.co.in>
- B. Click on “Sign Up” under “Custodian / Corporate Body/ 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](mailto:insta.vote@linkintime.co.in).
- E. Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person’s email ID. (You have now registered on InstaVote)

#### STEP 2 – Investor Mapping

- A. Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- B. Click on “Investor Mapping” tab under the Menu Section
- C. Map the Investor with the following details:
  1. ‘Investor ID’ – Investor ID for NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678; Investor ID for CDSL demat account is 16 Digit Beneficiary ID.
  2. ‘Investor’s Name’ – Enter Investor’s Name as updated with DP.

3. 'Investor PAN' - Enter your 10-digit PAN.
4. 'Power of Attorney' - Attach Board resolution or Power of Attorney.

NOTE: File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID.

Further, Custodians and Mutual Funds shall also upload specimen signatures.

- D. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the "Report Section".

#### **STEP 3 – Steps to cast vote for Resolutions through InstaVote**

The corporate shareholder can vote by two methods, during the remote e-voting period.

#### **METHOD 1 - VOTES ENTRY**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on "Votes Entry" tab under the Menu section.
- c) Enter the "Event No." for which you want to cast vote.
- d) Event No. can be viewed on the home page of InstaVote under "On-going Events".
- e) Enter "16-digit Demat Account No."
- f) 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). 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.
- h) Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

#### **METHOD 2 - VOTES UPLOAD**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) After successful login, you will see "Notification for e-voting".
- c) Select "View" icon for "Company's Name / Event number".
- d) E-voting page will appear.
- e) Download sample vote file from "Download Sample Vote File" tab.
- f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under "Upload Vote File" option.

- g) Click on 'Submit'. 'Data uploaded successfully' message will be displayed.
- h) Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

#### **Helpdesk:**

##### **Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at [enotices@in.mpms.mufg.com](mailto:enotices@in.mpms.mufg.com) or contact on: - Tel: 022 – 4918 6000.

##### **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 request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at: 022 - 4886 7000                                       |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33 |

#### **Forgot Password:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: <https://instavote.linkintime.co.in>

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

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: <https://instavote.linkintime.co.in>

- Click on 'Login' under "Custodian / Corporate Body/ Mutual Fund" tab
- Click "forgot password?"

- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on “SUBMIT”.

*In case shareholders have a 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 information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. 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:**

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

#### **General Instructions - Shareholders**

- 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:**

In terms of Ministry of Corporate Affairs (MCA) General Circular No. 09/2024 dated 19.09.2024, the Companies can conduct their AGMs/ EGMs on or before 30 September 2025 by means of Video Conference (VC) or other audio-visual means (OAVM).

#### **Shareholders are advised to update their mobile number and email ID correctly in their demat accounts to access InstaMeet facility.**

Login method for shareholders to attend the General Meeting through InstaMeet:

- Visit URL: <https://instameet.in.mpms.mufg.com> & click on “Login”.
- Select the “Company Name” and register with your following details:
- Select Check Box - **Demat Account No. / PAN**
  - Shareholders holding shares in NSDL/ CDSL demat account shall select check box - Demat Account No. and enter the 16-digit demat account number.
  - Shareholders holding shares in physical form shall select check box – Folio No. and enter the Folio Number registered with the company.

- Shareholders shall select check box – PAN and enter 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 by MUFG Intime, if applicable.

- Mobile No: Mobile No. as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.
- Email ID: Email ID as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.

- d) Click “Go to Meeting”

You are now registered for InstaMeet, and your attendance is marked for the meeting

#### **Instructions for shareholders to Speak during the General Meeting through InstaMeet:**

- Shareholders who would like to speak during the meeting must register their request with the company.
- Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
- Shareholders will receive “speaking serial number” once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- Other shareholder who has not registered as “Speaker Shareholder” may still ask questions to the panellist via active chat-board during the meeting.

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

#### **Instructions for Shareholders to Vote during the General Meeting through InstaMeet:**

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

- On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
- 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
- Click on ‘Submit’.
- After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
- 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’.
- 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. 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.

**Helpdesk:**

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at [instameet@in.mpms.mufg.com](mailto:instameet@in.mpms.mufg.com) or contact on: - Tel: 022 – 4918 6000 / 4918 6175.

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

### **ITEM NO. 4**

#### **APPOINTMENT OF M/S. DM & ASSOCIATES, COMPANY SECRETARIES LLP, AS SECRETARIAL AUDITORS OF THE COMPANY**

Pursuant to Section 204 of the Companies Act, 2013 and Rule 9 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, and the latest amendment to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 dated December 12, 2024, a listed entity is required to appoint a Peer Reviewed Company Secretary in Practice as Secretarial Auditors for a period not more than two terms of five consecutive years with the approval of shareholders in the Annual General Meeting. Any association of the individual or the firm as the Secretarial Auditor of the listed entity before March 31, 2025 shall not be considered for the purpose of calculating the tenure under Regulation 24A of the Listing Regulations.

Accordingly, based on the recommendation of the Audit Committee, the Board of Directors of the Company approved the appointment of M/s DM & Associates, Company Secretaries LLP, (FRN: L2017MH003500), a peer-reviewed firm, as Secretarial Auditors of the Company for a term of five consecutive financial years commencing from FY 2025–26 to FY 2029–30 to conduct Secretarial Audit of the Company and to furnish the Secretarial Audit Report, at such remuneration as may be fixed by the Board and determined by the Audit Committee in consultation with the Secretarial Auditors.

M/s DM & Associates is a Limited Liability Partnership comprising a team of highly motivated professionals providing a comprehensive range of services across diverse sectors. The firm has established itself as a Complete Solution Provider, supporting companies seeking to capitalize on opportunities within the Indian economy and market landscape.

The firm boasts a team of experienced professionals with expertise in Compliance, Legal, Finance, Taxation and procedural matters, providing a comprehensive legal and regulatory services under various Corporate Laws, including the Companies Act, FEMA, SEBI Regulations, Income Tax laws, and regulatory frameworks of BSE and NSE and other financial & technical collaborations incidental to foreign direct investments.

The firm offers a wide spectrum of professional services to a varied clientele across multiple service lines. They currently handle audits for both listed and unlisted companies, including entities ranked among the top 1000 listed companies by market capitalization on the BSE and NSE. Their clientele spans a broad range of industries, including Banking, Rubber Manufacturing, Textiles, FMCG, Steel, Real Estate, Market Infrastructure Intermediaries, Hospitality, Defense, NBFCs, Pharmaceuticals, Capital Markets etc.

The Company has received consent and eligibility letter from M/s. DM & Associates to act as the Secretarial Auditors of the Company, in accordance with the provisions of Section 204 of the Companies Act, 2013, Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI Listing Regulations, and other applicable rules, if any.

Accordingly, consent of the members is being sought for passing an Ordinary Resolution as set out at Item No. 4 of this Notice for appointment of M/s. DM & Associates, Company Secretaries LLP, as Secretarial Auditors of the Company for a period of 5 (Five) years.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

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

### **ITEM NO. 05**

#### **RATIFICATION OF REMUNERATION OF COST AUDITORS FOR FY 2025-26**

In terms of Section 148 of the Act read with the Companies (Audit and Auditors) 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 April 30, 2025, 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 FY 2025-26, at a remuneration of Rs. 1,10,000/- (Rupees One Lakh and Ten Thousand Only) plus applicable taxes thereon and reimbursement of actual out-of-pocket expenses.

M/s. Dinesh Jain & Co., Cost Accountants have consented to act as the Cost Auditors of the Company for FY 2025-26 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. 5 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, 2026.

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. 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 Audit Committee and the Board of Directors at their meeting held on August 27, 2024 and the shareholders at the 15<sup>th</sup> Annual General Meeting held on September 20, 2024, had approved to enter 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 (“the Associate Company”) for supply of goods/services/material including technologies and other business transactions amounting to approx. Rs. 2,93,00,00,000/- (Rupees Two Hundred and Ninety-Three Crores plus applicable taxes) for a period from the date of the 15<sup>th</sup> Annual General Meeting (AGM) till the date of next AGM i.e. 16<sup>th</sup> AGM.

Based on recommendation of the Audit Committee at their meeting held on July 25, 2025, the Board of Directors, have accorded approval to enter/continue 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 the 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 seeking renewal of approval at this AGM to ensure continuity of business.

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 & Optronic Systems and Defence Engineering (comprising of Defence Electronics, EMP Protection Solutions & Heavy Engineering). The annual consolidated turnover of

the Company as on March 31, 2025 is Rs. 333.50 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) Rs. 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 was 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 was 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)                  | <b>Name of Related Party</b> - Controp-Paras Technologies Private Limited ("Controp-Paras")<br><b>Relationship</b> - Controp-Paras is an Associate Company of the Company. The Company holds 30% of paid-up equity share capital of Controp-Paras.<br>-  |
| 2.      | Name of Director(s) or Key Managerial Personnel who is related, if any   | -  |
| 3.      | Type, Tenure, Material Terms and Particulars   | Continue the 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 Rs. 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 | 88%  |
| 6.      | 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 is 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.

By the order of the Board of Directors

For **Paras Defence and Space Technologies Limited**

**Jajvalya Raghavan**

Company Secretary and Compliance Officer

Date: July 25, 2025

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](mailto:business@parasdefence.com)

Website: [www.parasdefence.com](http://www.parasdefence.com)

CIN: L29253MH2009PLC193352



## ANNEXURE - A

### Details of re-appointment of Mr. Sharad Virji Shah, Director liable to retire by rotation at the AGM

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2, Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India]:

|  |  |
|--|--|
| Name of Director   | Mr. Sharad Virji Shah  |
| DIN  | 00622001   |
| Date of birth  | December 18,1947   |
| Age  | 77 Years   |
| Date of first appointment on the Board                       | June 16, 2009  |
| Qualification  | Senior Secondary Certificate   |
| Experience   | Mr. Sharad Virji Shah is Promoter Shareholder and Chairman of the Company. He started Paras Defence and Space Technologies Limited (formerly known as Paras Engineering Co.) in the 1970's at a very young age. His passion for Indigenization & creating import substitution encouraged him to start a company which would become a one stop solution for all Critical Components & Assemblies in India. Being a hands on Engineer and his passion for reading and constant craving for engineering excellence, he became Industry Expert in Precision Engineering and manufacturing. Discipline and Innovation has been the key Mantra for his successful path breaking journey. |
| Terms and conditions of appointment/re-appointment           | Re-appointment in terms of Section 152(6) of the Companies Act, 2013.  |
| Details of remuneration last drawn                           | Rs. 75,000/- per Board / Committee Meeting (as on June 30, 2025)   |
| Remuneration proposed to be paid                             | -  |
| Shareholding in the Company as on date                       | 1,20,49,680 (post the split of equity shares of the Company) [constituting 14.95% of the paid-up capital]  |
| Relationship with other Directors / Key Managerial Personnel | Mr. Sharad Virji Shah is father of Mr. Munjal Sharad Shah, Managing Director of the Company  |
| Directorships in other companies as on date                  | -  |
| Membership of Committees/Chairmanship in other Companies     | N.A.   |
| Number of Board meetings attended during the year            | 9  |

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

**Jajvalya Raghavan**  
Company Secretary and Compliance Officer

Date: July 25, 2025  
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](mailto:business@parasdefence.com)  
Website: [www.parasdefence.com](http://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 Sixteenth Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended March 31, 2025.

## 1. FINANCIAL SUMMARY AND HIGHLIGHTS

(₹ in Lakhs)

| Particulars                                    | Standalone       |                  | Consolidated     |                  |
|--|------------------|------------------|------------------|------------------|
|  | FY 2024-25       | FY 2023-24       | FY 2024-25       | FY 2023-24       |
| Revenue from Operations                        | 33,385.41        | 23,243.45        | 36,466.12        | 25,349.82        |
| Other Income                                   | 1,185.63         | 934.00           | 792.22           | 827.17           |
| <b>Total Income</b>                            | <b>34,571.04</b> | <b>24,177.45</b> | <b>37,258.34</b> | <b>26,176.99</b> |
| Less: Total Expenditure                        | 25,890.21        | 19,715.17        | 28,901.01        | 22,124.45        |
| Less: Share of (Profit)/Loss of associate      | -                | -                | (2.75)           | 5.69             |
| <b>Profit Before Tax</b>                       | <b>8,680.83</b>  | <b>4,462.28</b>  | <b>8,360.07</b>  | <b>4,046.85</b>  |
| Less: Income tax                               | 2,269.94         | 1,250.58         | 2,304.59         | 1,256.79         |
| Less: Deferred Tax                             | (96.03)          | (100.21)         | (93.67)          | (103.32)         |
| Less: Income Tax for earlier years             | -                | (111.59)         | -                | (110.41)         |
| <b>Profit after Tax</b>                        | <b>6,506.92</b>  | <b>3,423.50</b>  | <b>6,149.15</b>  | <b>3,003.79</b>  |
| Other Comprehensive Income (net of taxes)      | 38.92            | 36.27            | 28.68            | 34.18            |
| <b>Total Comprehensive Income for the year</b> | <b>6,468.00</b>  | <b>3,387.23</b>  | <b>6,120.47</b>  | <b>2,969.61</b>  |

On standalone basis, the total income for the financial year ended March 31, 2025 was ₹ 34,571.04 Lakhs, which is 42.99 % more than the previous year's income of ₹ 24,177.45 Lakhs. Our total income on consolidated basis for the financial year ended March 31, 2025 was ₹ 37,258.34 Lakhs as against ₹ 26,176.99 Lakhs for the financial year ended March 31, 2024.

On standalone basis, the net profit after tax (PAT) for the financial year ended March 31, 2025 stood at ₹ 6,506.92 Lakhs as against previous year's net profit of ₹ 3,423.50 Lakhs thereby recording an increase of 90.07%. Our net profit after tax (PAT) on consolidated basis for the financial year ended March 31, 2025 amounted to ₹ 6,149.15 Lakhs as compared to ₹ 3,003.79 Lakhs in the previous year.

## 2. TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amounts to the general reserve. For complete details on movement in Reserves and Surplus during the financial year ended March 31, 2025, please refer to the 'Statement of Changes in Equity' included in the standalone and consolidated financial statements of this Annual Report.

## 3. DIVIDEND

Based on the Company's impressive performance, for the first time in the history of the Company, the Board of Directors is pleased to recommend a dividend of ₹ 0.50 per share of ₹ 5/- each for the financial year ended March 31, 2025, subject to the approval of the Members.

After the closure of the financial year, based on the approval of the Board of Directors, the consent of the members was sought by way of postal ballot, for sub-division/ split of 1 (one) equity share of ₹ 10/- each into 2 (two) equity shares of ₹ 5/- each. The members have approved the aforementioned split as on June 7, 2025. The record date for the purpose of the split of shares is July 4, 2025. In view of the above, the face value of the share for the purpose of declaration and payment of dividend has been considered as ₹ 5/- per share.

The final dividend on equity shares, if approved by the Members, would involve a cash outflow of ₹ 4.03 crores (8,05,87,330 equity shares @ ₹ 0.50 per share). As per Indian Income Tax Act, 1961, dividend paid and distributed by a Company is taxable in the hands of members and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at prescribed rates. The Record date for the purpose of the final dividend for the financial year ended March 31, 2025, is August 8, 2025.

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://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, 2025.

## 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.

## 9. DETAILS OF SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

### A. SUBSIDIARIES

As on March 31, 2025, the Company has 6 (Six) Subsidiaries, out of which 5 (Five) 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 |
|---|---------------------------------|-----------------------|
| *Opel Technologies Pte. Ltd.                  | Foreign Wholly Owned Subsidiary | 02-Jan-2019           |
| Paras Aerospace Private Limited               | Indian Subsidiary               | 13-Feb-2019           |
| Paras Anti-Drone Technologies Private Limited | Indian Subsidiary               | 25-Feb-2019           |
| #Ayatti Innovative Private Limited            | Indian Subsidiary               | 13-Aug-2018           |
| Quantico Technologies Private Limited         | Indian Wholly Owned Subsidiary  | 30-Dec-2023           |
| Mechtech Thermal Private Limited              | Indian Subsidiary               | 11-Jan-2024           |

\*Opel Technologies Pte. Ltd. became a material subsidiary of your Company w.e.f. April 01, 2023.

#The Board of Directors of the Company at their meeting held on March 28, 2025, considered and approved the proposal for divestment of 58.02% equity stake held in its subsidiary, Ayatti Innovative Private Limited ("Ayatti"), which comprises of 15,20,000 equity shares of face value of ₹ 10/- each. Post the transaction, Ayatti will cease to be a subsidiary of the Company. The proposed transaction is likely to be completed latest by December 31, 2025, depending upon completion of due diligence process by the proposed buyer.

Paras Green UAV Private Limited (formerly known as Paras Green Optics Private Limited) ceased to be a Subsidiary of the Company w.e.f. March 27, 2025

### B. ASSOCIATE AND JOINT VENTURE COMPANIES

As on March 31, 2025, there are 2 (Two) Associate Companies within the meaning of Section 2(6) of the Companies Act, 2013.

The details of the Associate/Joint Venture Companies are as follows:

| Name of the Company                               | Date of Incorporation |
|---|-----------------------|
| Krasny Paras Defence Technologies Private Limited | 10-Nov-2021           |
| Controp-Paras Technologies Private Limited        | 31-Jul-2023           |

## 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

## 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 of 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, 2025, the Company has 6 (Six) Subsidiaries, out of which 5 (Five) 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 |
|---|---------------------------------|-----------------------|
| *Opel Technologies Pte. Ltd.                  | Foreign Wholly Owned Subsidiary | 02-Jan-2019           |
| Paras Aerospace Private Limited               | Indian Subsidiary               | 13-Feb-2019           |
| Paras Anti-Drone Technologies Private Limited | Indian Subsidiary               | 25-Feb-2019           |
| #Ayatti Innovative Private Limited            | Indian Subsidiary               | 13-Aug-2018           |
| Quantico Technologies Private Limited         | Indian Wholly Owned Subsidiary  | 30-Dec-2023           |
| Mechtech Thermal Private Limited              | Indian Subsidiary               | 11-Jan-2024           |

\*Opel Technologies Pte. Ltd. became a material subsidiary of your Company w.e.f. April 01, 2023.

#The Board of Directors of the Company at their meeting held on March 28, 2025, considered and approved the proposal for divestment of 58.02% equity stake held in its subsidiary, Ayatti Innovative Private Limited ("Ayatti"), which comprises of 15,20,000 equity shares of face value of ₹ 10/- each. Post the transaction, Ayatti will cease to be a subsidiary of the Company. The proposed transaction is likely to be completed latest by December 31, 2025, depending upon completion of due diligence process by the proposed buyer.

Paras Green UAV Private Limited (formerly known as Paras Green Optics Private Limited) ceased to be a Subsidiary of the Company w.e.f. March 27, 2025

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

During the year, the Issued, Subscribed and Paid-up Share Capital of the Company increased from ₹ 3,900 lakhs to ₹ 4,029 Lakhs in view of the 12,93,604 equity shares allotted vide the Qualified Institutions Placement (QIP) in October 2024.

## 12. Employee Stock Option Plan - Paras Defence ESOP 2024

During the year under review, the Company sought shareholders' approval at its 15<sup>th</sup> Annual General Meeting for

the adoption and implementation of the Paras Defence and Space Technologies Limited - Employee Stock Option Plan – 2024 (“Paras Defence ESOP 2024”). Under the scheme, the total number of stock options to be granted shall not exceed 7,95,000 (Seven Lakhs Ninety-Five Thousand) in aggregate. These options will entitle grantees to acquire, in one or more tranches, up to 7,95,000 fully paid-up Equity Shares of the Company, each having a face value of ₹10/- (Rupees Ten Only).

The Plan includes provisions for extending and granting stock options to eligible employees of the Company, its group entities, including subsidiaries and/or associate companies (excluding any employee who is a promoter or part of the promoter group, as well as Independent Directors).

This initiative represents a reward system based on performance, to attract and retain qualified, talented and competent personnel and offer employees an opportunity to participate in the Company's growth. By linking employee performance with organizational initiatives, the Plan is intended to enhance overall Company performance.

The Plan has been formulated in compliance with the provisions of the Companies Act and the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SBEB&SE Regulations”). The Nomination and Remuneration Committee (NRC) oversees the administration of the Plan and acts as the Compensation Committee in accordance with the SBEB&SE Regulations.

During the financial year 2024–25, there has been no change to the Paras Defence ESOP 2024 scheme. In FY 2024–25, the Company granted a total of 78,450 options. No options were vested or exercised during the year. Further details regarding the scheme are provided in the Financial Statements section of this Annual Report.

In view of the shareholders' approval sought by way of postal ballot in June 2025 for the sub-division/ split of 1 (One) Equity

Share of the Company of the face value of ₹ 10/- (Rupees Ten Only) each fully paid up into 2 (Two) Equity Shares of the Company of face value of ₹ 5/- (Rupees Five Only) each fully paid up, the shareholders have inter alia also authorised the Board of Directors to make appropriate adjustments to ensure fair and reasonable adjustment to the entitlement of the participants under the “Paras Defence ESOP 2024” of the Company due to sub-division/split of equity shares as aforesaid to the outstanding stock options (whether vested or unvested as on the Record Date) in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time.

The disclosure relating to ESOPs required to be made under the provisions of the Companies Act, 2013 and the Rules made thereunder and the Securities and Exchange Board of India (Share Based Employee Benefit and Sweat Equity) Regulations, 2021 (SBEB Regulations) is provided on the website of the Company. A certificate from the Secretarial Auditors confirming that the scheme has been implemented in compliance with the SBEB Regulations has also been obtained. These documents are available for electronic inspection by Members during the AGM and can also be accessed on the Company's website at <https://www.parasdefence.com>

### 13. OTHER SHARES RELATED DISCLOSURES

During the year under review, the Company has not issued any bonus shares, equity shares with differential voting rights nor has granted any sweat equity. As on March 31, 2025, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

### 14. 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.

### 15. CREDIT RATING

During the year under review, your Company has been rated by CRISIL Ratings Limited (“CRISIL”) and ICRA Limited for its bank facilities as follows:

| CRISIL Ratings Limited |                   |                    |               |
|------------------------|-------------------|--------------------|---------------|
| Instrument Type        | Amount (₹ in Cr.) | Rating Outlook     | Rating Action |
| Bank Guarantee         | 23.00             | CRISIL A2+         |               |
| Cash Credit            | 39.00             | CRISIL A-/ Stable  |               |
| Letter of Credit       | 5.00              | CRISIL A2+         |               |
| Long Term Loan         | 10.00             | CRISIL A-/Stable   | Reaffirmed    |
| Pre-Shipment Credit    | 7.00              | CRISIL A2+         |               |
| Proposed Term Loan     | 19.00             | CRISIL A- / Stable |               |

| ICRA Limited   |                   |                           |  |
|--|-------------------|---------------------------|--|
| Instrument Type  | Amount (₹ in Cr.) | Rating Outlook            | Rating Action                          |
| Long term – Fund Based - Cash Credit                   | 39.00             | ICRA A- (Stable)          | Reaffirmed the ratings and revised the |
| Long term – Fund based - Overdraft                     | 5.00              | ICRA A- (Stable)          | Outlook from 'Negative' to 'Stable'    |
| Long term/Short term – Non-Fund Based - Bank Guarantee | 157.75            | ICRA A- (Stable)/ICRA A2+ |  |

## 16. UTILISATION OF QUALIFIED INSTITUTIONS PLACEMENT (QIP) PROCEEDS

During the year under review, the Company raised funds amounting to ₹ 135.182 Crores by way of Qualified Institutions Placement (QIP) and allotted 12,93,604 equity shares at an issue price of ₹ 1,045 per equity share (including a premium of ₹ 1,035 per equity share) on October 08, 2024.

The issue was undertaken in accordance with Sections 42 and 62 of the Companies Act, 2013, along with the applicable rules made thereunder and the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

The proceeds of funds raised under QIP of the Company are being utilised as per Objects of the Issue. ICRA Limited is the Monitoring Agency, who is monitoring the use of the net QIP proceeds, in accordance with the objects of the issue.

The disclosure in compliance with the Regulation 32(7A) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") is as under:

| Sr. No.      | Particulars   | (Amount in ₹)<br>Actual utilization of QIP proceeds<br>upto March 31, 2025 (₹ crores) |
|--------------|---|---|
| 1.           | Funding working capital requirements of the Company | 120.000   |
| 2.           | General corporate purposes (excluding QIP expenses) | 5.530   |
| 3.           | Issue expenses                                      | 4.195   |
| <b>Total</b> |   | <b>129.725</b>  |

Out of the total funds raised by the Company under the QIP, an amount of ₹ 5.46 crores is yet to be utilized, as on March 31, 2025.

## 17. 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 functions and the significant internal audit findings with the management and also updates and recommends the same to the Board for their review.

## 18. 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, 2025, is as follows:

| Name of Director    | DIN      | Category  |
|---------------------|----------|---|
| Sharad Virji Shah   | 00622001 | Promoter, Chairman & Non-Executive<br>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<br>(Appointment/<br>Re-appointment/Cessation) | Date of Shareholders<br>Approval | Tenure   |
|-------------------|---|--|----------------------------------|--|
| Hina Amol Gokhale | Non-Executive Woman<br>Independent Director | Re-appointment   | March 17, 2025                   | For a second term of five years<br>commencing from April 01, 2025<br>to March 31, 2030 |

### **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. Sharad Virji Shah (DIN: 00622001), retires by rotation at the forthcoming Sixteenth 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, 2025 is as follows:

| Name of Key Managerial Personnel | Category                                 |
|----------------------------------|--|
| Munjal Sharad Shah               | Managing Director                        |
| Shilpa Amit Mahajan              | Whole-Time Director                      |
| Harsh Dhirendra 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**

During the period under review, there was no change in the position of the Key Managerial Personnel of the Company.

### **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 10 (Ten) 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 Committees, 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/investors](http://www.parasdefence.com/investors)

### **19. COMPLIANCE WITH SECRETARIAL STANDARDS**

During the period from April 01, 2024 to March 31, 2025, the Company complied with the Secretarial Standard – 1 on Board Meetings and Secretarial Standard – 2 on General Meetings, issued by the Institute of Company Secretaries of India.

### **20. 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://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.

## **21. 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://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.

## **22. 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 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.

## **23. 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.

## **24. ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

In accordance with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors carried out an annual evaluation of its overall performance, that of individual directors, and the functioning of its various Committees. The performance of the Board as a whole and of its Committees was evaluated by the Board through a structured questionnaire covering multiple aspects such as composition and quality, meeting and procedures, contribution to Board deliberations, effectiveness of assigned functions, rapport with management, professional development and the adequacy, appropriateness and timeliness of information etc.

Taking into consideration the responses received from the Individual Directors to the questionnaire, the performance of the Board and its Committees was evaluated. The performance of the Independent Directors was evaluated by the entire Board, excluding the respective Independent Director evaluated. The Directors expressed their satisfaction with the evaluation process.

Pursuant to Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held on Friday, January 10, 2025.

## **25. 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.

## **26. AUDITORS**

### **I. Statutory Auditors**

In accordance with the provisions of the Companies Act, 2013, M/s. Chaturvedi & Shah LLP, Chartered Accountants (FRN: 101720W/W100355) ('C&S') have been appointed as the Statutory Auditors of the Company, for a period of five years i.e. until the conclusion of 19<sup>th</sup> AGM of the Company to be held in the year 2028. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

## **II. Internal Auditors**

The provisions of Section 138 of the Companies Act, 2013 for appointing Internal Auditors are applicable to the Company.

Based on the recommendation of the Audit Committee, the Board of Directors had appointed M/s. Shaparia Mehta & Associates LLP, Chartered Accountants (FRN: 0112350W / W-100051), as Internal Auditors for conducting the internal audit functions of the Company for FY 2024-25. They have submitted their reports periodically to the Audit Committee and Board of Directors for their review. M/s. Shaparia Mehta & Associates LLP have been appointed as the Internal Auditors of the Company for FY 2025-26.

## **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 2024-25. 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 do 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.

Pursuant to the amended provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee and the Board of Directors have approved and recommended the appointment of M/s. DM & Associates, Company Secretaries LLP (FRN: L2017MH003500), Practicing Company Secretaries as the Secretarial Auditors of the Company for a term of 5 (Five) consecutive years from the FY 2025-26 till FY 2029-30, subject to the approval of the Members at ensuing AGM.

Brief profile and other details of M/s. DM & Associates, Company Secretaries LLP, are disclosed in the AGM Notice approved by the Board. They have given their consent to act as Secretarial Auditors of the Company and have confirmed their eligibility for the appointment. The Secretarial Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Company Secretaries of India (ICSI) and hold valid certificate issued by the Peer Review Board of the ICSI.

## **IV. Cost Auditors**

The provisions of Section 148 of the Companies Act, 2013 for maintaining the Cost Records are applicable to the Company and accordingly the Company has maintained

cost accounts and records in respect of the applicable products for the year ended March 31, 2025.

The Board, on the recommendation of the Audit Committee, at its meeting held on April 30, 2025, has approved the appointment of M/s. Dinesh Jain & Company, Practicing Cost Accountants, Mumbai (FRN: 100583), as the Cost Auditors for the Company for the financial year ending March 31, 2026. They have confirmed their independent status and that they are free from any disqualifications under Section 141 of the Companies Act, 2013. A proposal for ratification of remuneration of the Cost Auditors for the FY 2025-26 is placed before the shareholders for approval in the ensuing AGM.

## **27. AUDIT REPORTS**

The Statutory Auditors' Report and the Secretarial Auditors' Report do not contain any qualification, reservation, adverse remark or disclaimer.

The Statutory Auditors have issued an unmodified opinion on the Financial Statements, both standalone and consolidated, for the financial year ended March 31, 2025. Their Reports for the financial year ended March 31, 2025 on the financial statements of the Company forms part of this Annual Report. There is no incident of fraud, requiring reporting by the Statutory Auditors under Section 143(12) of the Act.

In view of the above, no comments are offered by the Board of Directors.

## **28. 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, 2025 will be available on the website of the Company at <https://parasdefence.com/investors?tab=1>

## **29. 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 have been followed along with proper explanation relating to material departures;
- b) they have 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, 2025 and of the profit of the Company for that period;
- c) they have 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 have prepared the annual accounts on a going concern basis;
- e) they have 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **30. HUMAN RESOURCES / INDUSTRIAL RELATIONS, INCLUDING NUMBER OF PEOPLE EMPLOYED**

Your Company had 537 permanent employees as on March 31, 2025 while the count was 418 as on March 31, 2024. Your Company provides regular training to employees to improve skills. Your Company has put in place a performance appraisal system that covers all employees.

### **31. 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.

### **32. 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.

### **33. 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 intervals to identify, evaluate, manage and monitor all business risks. The Company has a Risk Management Committee in place which periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

### **34. 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 Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of the POSH Compliances during the year

|   |       |
|---|-------|
| Number of sexual harassment complaints received | : Nil |
| Number of complaints disposed off               | : Nil |
| Number of cases pending for more than 90 days   | : Nil |

During the year under review, the Company has not received any complaint of sexual harassment.

### **35. COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961**

With a significant percentage of women in its workforce, the Company believes that it is not merely about empowering women — rather, PARAS is empowered by them. The Company is committed to supporting the needs, health and safety of mothers and complies with the provisions of the Maternity Benefit Act, 1961.

### **36. 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, 2025, the Company has not received any complaint under the Whistle Blower Policy of the Company.

### **37. 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 2024-25.

### **38. 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://parasdefence.com/investors>

### **39. 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.

#### **40. 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.

#### **41. DIFFERENCE BETWEEN AMOUNT OF THE EVALUATION 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.

#### **42. 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.

#### **43. 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: July 25, 2025

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](mailto:business@parasdefence.com)  
Website: [www.parasdefence.com](http://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                           |                                    |   |                                      |   |  |
|---|-----------------------------------|------------------------------------|---|--------------------------------------|---|--|
|   | Opel<br>Technologies<br>Pte. Ltd. | Paras Aerospace<br>Private Limited | Paras Anti-Drone<br>Technologies<br>Private Limited | Ayatti Innovative<br>Private Limited | Quantico<br>Technologies<br>Private Limited | Mechtech<br>Thermal Private<br>Limited |
|   | 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                |
| Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | 1 USD = ₹ 85.5814                 | NA                                 | NA  | NA                                   | NA  | NA                                     |
| Share capital   | 0.06                              | 101.00                             | 1053.45   | 262.00                               | 10.00                                       | 10.00                                  |
| Reserves & surplus  | 347.68                            | -96.95                             | -395.84   | -599.45                              | -13.16                                      | -206.88                                |
| Total assets  | 1841.70                           | 1765.63                            | 1028.70   | 549.76                               | 1.33  | 438.47                                 |
| Total Liabilities   | 1493.95                           | 1761.58                            | 371.09  | 887.21                               | 4.49  | 635.35                                 |
| Investments   | -                                 | 3.46                               | -   | -                                    | -   | -                                      |
| Revenue from operations   | 4221.32                           | 1648.73                            | 76.77   | 118.01                               | -   | 23.29                                  |
| Profit before tax   | 175.10                            | 126.74                             | -338.17   | -82.08                               | -11.86                                      | -192.34                                |
| Provision for tax   | -25.20                            | -9.46                              | 2.36  | -                                    | -   | -                                      |
| Profit after tax  | 149.90                            | 117.28                             | -340.53   | -82.08                               | -11.86                                      | -192.34                                |
| Proposed Dividend   | -                                 | -                                  | -   | -                                    | -   | -                                      |
| % of shareholding   | 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: Paras Green UAV Private Limited (formerly known as Paras Green Optics Private Limited) ceased to be a subsidiary w.e.f. March 27, 2025)

**Part B - Associate and Joint Ventures**

(₹ in Lakhs)

| <b>Particulars</b>  | <b>Details</b>   |   |
|---|--|---|
|   | <b>Krasny Paras Defence Technologies Private Limited</b> | <b>Controp-Paras Technologies Private Limited</b> |
| Latest audited Balance Sheet Date   | 31.03.2025   | 31.03.2025  |
| 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  | -41.83   | 11.27   |
| Total assets  | 248.62   | 3029.28   |
| Total liabilities   | 180.45   | 3017.01   |
| Investments   | -  | -   |
| Revenue from operations   | 97.42  | -   |
| Profit/(Loss) before tax  | -3.47  | 20.02   |
| Provision for tax   | -0.62  | -4.40   |
| Profit/(Loss) after tax   | -4.09  | 15.62   |
| Proposed Dividends  | -  | -   |
| % of shareholding   | 47.50 %  | 30%   |

**Notes:** The following information shall be furnished at the end of the statement:

1. Names of Associates which are yet to commence operations - **Nil**
2. 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 Dhirendra Bhansali**

Chief Financial Officer

**Jajvalya Raghavan**

Company Secretary  
& Compliance Officer  
FCS: 11942

Date: July 25, 2025

Place: Navi Mumbai

## ANNEXURE – 2

### CORPORATE GOVERNANCE REPORT

#### FOR THE YEAR 2024-25

[As required under Schedule V(C) of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"), the Company has disclosed, to the best extent possible, its compliance in this Corporate Governance Report, which forms an integral part of the Annual Report for the financial year 2024-25. In accordance with the SEBI Listing Regulations, this report outlines the Company's corporate governance framework, systems and processes for the year ended March 31, 2025. The Company is committed to sound corporate governance practices that ensure efficiency, transparency and accountability. Our governance philosophy is aimed at enhancing long-term shareholder value, complying with applicable laws and regulations. A Certificate from the Secretarial Auditors confirming the compliance with the prescribed corporate governance conditions is annexed to this report.

#### **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, 2025 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 20.09.2024 |
|---------------------|--------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------------------------------|--------------------------|-----------------|--------------------------------------|
|                     | 15.04.2024   | 25.05.2024 | 05.08.2024 | 27.08.2024 | 27.09.2024 | 28.10.2024 | 02.12.2024 | 08.02.2025 | 25.03.2025 | 28.03.2025 |                                     |                          |                 |                                      |
| Sharad Virji Shah   | Yes          | Yes        | Yes        | Yes        | Yes        | No         | Yes        | Yes        | Yes        | Yes        | 10                                  | 9                        | 90              | No                                   |
| Munjal Sharad Shah  | Yes          | Yes        | Yes        | Yes        | Yes        | Yes        | Yes        | Yes        | Yes        | Yes        | 10                                  | 10                       | 100             | Yes                                  |
| Shilpa Amit Mahajan | Yes          | Yes        | Yes        | No         | Yes        | Yes        | Yes        | Yes        | Yes        | Yes        | 10                                  | 9                        | 90              | Yes                                  |
| Manmohan Handa      | Yes          | Yes        | Yes        | Yes        | Yes        | Yes        | Yes        | Yes        | Yes        | Yes        | 10                                  | 10                       | 100             | Yes                                  |
| Hina Amol Gokhale   | Yes          | Yes        | Yes        | Yes        | Yes        | Yes        | Yes        | Yes        | Yes        | Yes        | 10                                  | 10                       | 100             | No                                   |
| Suresh Katyal       | Yes          | Yes        | Yes        | Yes        | Yes        | Yes        | Yes        | Yes        | Yes        | Yes        | 10                                  | 10                       | 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, 2025:**

| <b>Name</b>                           | <b>Category/ Designation in the Company</b>                          | <b>No. of other Directorship and Committee Chairmanship(s)/ Membership(s)</b> |                     |                   | <b>Particulars of Directorship in other listed entities</b> | <b>No. of shares held in the Company</b> |
|---------------------------------------|--|---|---------------------|-------------------|---|--|
|                                       |  | <b>Directorship</b>   | <b>Chairmanship</b> | <b>Membership</b> |   |  |
| Sharad Virji Shah<br>(DIN:00622001)   | Promoter,<br>Chairman, Non - Executive<br>Non - Independent Director | 1   | 1                   | 1                 | -   | 72,74,840                                |
| Munjal Sharad Shah<br>(DIN:01080863)  | Promoter,<br>Managing Director                                       | 1   | 1                   | 3                 | -   | 98,58,137                                |
| Shilpa Amit Mahajan<br>(DIN:01087912) | Whole-Time Director  | 1   | 0                   | 1                 | -   | 7,00,000                                 |
| Manmohan Handa<br>(DIN:06942720)      | Non - Executive<br>Independent Director                              | 1   | 3                   | 2                 | -   | 0  |
| Hina Amol Gokhale<br>(DIN:08712659)   | Non - Executive<br>Independent Director                              | 1   | 0                   | 1                 | -   | 0  |
| Suresh Katyal<br>(DIN:08979402)       | Non - Executive<br>Independent Director                              | 1   | 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, 2025, the Company does not have any convertible instruments. None of the Non-Executive Directors, except Mr. Sharad Virji Shah (Promoter), held Equity shares of the Company as on March 31, 2025.

**(f) Weblink of Familiarisation Programmes Imparted to Independent Directors**

The web link for familiarisation programmes imparted to Independent Directors is as follows: <https://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 a 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

Leadership and Governance

The Board collectively has the abovementioned skills / expertise / competence. The names of Directors and the skills they possess are given below:

| <b>Name of the Director</b> | <b>General Business / Industry awareness</b> | <b>Functional knowledge / General Management / Administration</b> | <b>Communication and Collaborative approach</b> | <b>Leadership &amp; Governance</b> |
|-----------------------------|--|---|---|------------------------------------|
| 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 Friday, January 10, 2025. The agenda was to review the performance of Non-Independent Directors, the Chairman, the entire Board and Committees thereof and the 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, 2025, 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 |
|---------------------|--------------|------------|------------|------------|------------|------------|------------|-------------------------------------|--------------------------|-----------------|
|                     | 25.05.2024   | 05.08.2024 | 27.08.2024 | 28.10.2024 | 08.02.2025 | 25.03.2025 | 28.03.2025 |                                     |                          |                 |
| 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 minutes of the meetings of the Committee are placed before and noted by the Board. All the recommendations made by the Committee during the year under review were accepted by the Board.

The Chairman of the Committee was present at the 15<sup>th</sup> Annual General Meeting held on September 20, 2024.

### **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, 2025, 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 5 (Five) 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 |
|---------------------|--------------|------------|------------|------------|------------|-------------------------------------|--------------------------|-----------------|
|                     | 15.04.2024   | 27.08.2024 | 22.11.2024 | 22.01.2025 | 08.02.2025 |                                     |                          |                 |
| Manmohan Handa      | Yes          | Yes        | Yes        | Yes        | Yes        | 5                                   | 5                        | 100             |
| Sharad Virji Shah   | Yes          | Yes        | Yes        | Yes        | Yes        | 5                                   | 5                        | 100             |
| Suresh Katyal       | Yes          | Yes        | Yes        | Yes        | Yes        | 5                                   | 5                        | 100             |

The minutes of the meetings of the Committee are placed before and noted by the Board. All the recommendations made by the Committee during the year under review were accepted by the Board.

The Chairman of the Committee was present at the 15<sup>th</sup> Annual General Meeting held on September 20, 2024.

#### **D. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS**

The evaluation of Independent Directors is based on attendance, participation in discussions, understanding of the company's business and industry, and guiding decisions that impact the business, in line with the roles specified in Schedule IV of the Companies Act, and the criteria for independence. The Board of Directors, excluding the Director being evaluated, conducts this evaluation.

The Nomination and Remuneration Committee is responsible for evaluating each Director's performance, including the independence criteria as per SEBI (LODR) Regulations, to assess the continuation or extension of Independent Directors' terms. The evaluation process includes:

- Peer evaluations by Board members based on a questionnaire.
- Input on the overall performance of the Board and its Committees.
- Review of the Chairperson's performance based on feedback from Executive and Non-Executive Directors.

### **3.3 STAKEHOLDERS RELATIONSHIP COMMITTEE**

#### **A. TERMS OF REFERENCE**

The terms of reference of the Stakeholders Relationship Committee, inter alia, include the following:

#### **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, 2025, 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      |

#### **C. MEETINGS AND ATTENDANCE**

The Committee met once 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 |
|---------------------|--------------|-------------------------------------|--------------------------|-----------------|
| Manmohan Handa      | 24.06.2024   | Yes                                 | 1                        | 1               |
| Munjal Sharad Shah  |              | Yes                                 | 1                        | 100             |
| Suresh Katyal       |              | Yes                                 | 1                        | 100             |

The Chairman of the Committee was present at the 15<sup>th</sup> Annual General Meeting held on September 20, 2024.

#### **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 |
|-------------------------------------|---|-----------------------------------|
| 1                                   | 1   | 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. The Committee's composition meets the requirements of Regulation 21 of the SEBI Listing Regulations.

As on March 31, 2025, 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 twice during the year under review. The gap between any 2 meetings did not exceed 210 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 |
|---------------------|--------------|------------|-------------------------------------|--------------------------|-----------------|
|                     | 24.06.2024   | 29.10.2024 |                                     |                          |                 |
| Sharad Virji Shah   | Yes          | Yes        | 2                                   | 2                        | 100             |
| Munjal Sharad Shah  | Yes          | Yes        | 2                                   | 2                        | 100             |
| Shilpa Amit Mahajan | Yes          | Yes        | 2                                   | 2                        | 100             |
| Manmohan Handa      | Yes          | Yes        | 2                                   | 2                        | 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:

- a) To recommend the amount of expenditure to be incurred on the activities referred in Corporate Social Responsibility Policy.
- b) To review and recommend to the Board, changes to the Corporate Social Responsibility Policy.

#### B. COMPOSITION

The Corporate Social Responsibility (CSR) Committee comprises 3 Directors, 2 of them are Non-Executive, Independent Directors and 1 is Executive Director. The Committee's composition complies with the requirements of Section 135 of the Act.

As on March 31, 2025, the Corporate Social Responsibility Committee comprised of the following members:

| 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 |
|---------------------|--------------|------------|------------|-------------------------------------|--------------------------|-----------------|
|                     | 24.06.2024   | 28.10.2024 | 22.11.2024 |                                     |                          |                 |
| 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 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. |
| September 20, 2024 | D-112, TTC Industrial Area, MIDC, Nerul, Navi Mumbai - 400706 | 12:30 p.m. |

The following Special Resolutions were passed in Annual General Meetings held during last three years-

| Date<br>Meeting No. | September 27, 2022   | September 29, 2023   | September 20, 2024   |
|---------------------|--|--|--|
|                     | 13 <sup>th</sup> Annual General Meeting  | 14 <sup>th</sup> Annual General Meeting  | 15 <sup>th</sup> Annual General Meeting  |
| Special Resolution  | <ol style="list-style-type: none"> <li>Reclassification of the Authorised Share Capital and subsequent alteration of Memorandum of Association (MOA) of the Company.</li> <li>To consider and approve the alteration of articles of association of the Company.</li> <li>Revision in salary payable to Mr. Anish Mehta, Director's relative holding place of profit in the Company.</li> <li>Revision in salary payable to Mr. Amit Navin Mahajan, Director's relative holding place of profit in the Company.</li> <li>Revision in Remuneration payable to Mr. Harsh Dhirendra Bhansali, Chief Financial Officer of the Company.</li> <li>Revision in salary payable to Mrs. Kaajal Bhansali, Director's relative holding place of profit in the Company.</li> <li>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.</li> </ol> | <ol style="list-style-type: none"> <li>Reappointment of Mrs. Shilpa Amit Mahajan (DIN: 01087912) as Whole-Time Director of the Company.</li> <li>Alteration in the object clause of the Memorandum of Association of the Company.</li> </ol> | <ol style="list-style-type: none"> <li>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)</li> <li>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</li> <li>To raise capital by way of a Qualified Institution Placement ("QIP") to eligible investors through issuance of equity shares and/or other eligible securities.</li> <li>(A) To approve 'Paras Defence and Space Technologies Limited - Employee Stock Option Plan 2024' ("Paras Defence ESOP 2024")</li> <li>(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]</li> </ol> |

## B. POSTAL BALLOT THROUGH E-VOTING

During the financial year, the below mentioned Special Resolution was 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, Partner, 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.      | Re-appointment of Dr. Hina Amol Gokhale (DIN:08712659) as Non-Executive Woman Independent Director of the Company | February 08, 2025            | February 16, 2025 to March 17, 2025 | March 17, 2025                | 99.97                      | 0.03                     |

**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. The Company provided electronic voting facility to all its members. The Company had engaged the services of MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) for providing remote e-Voting facilities to the Members, enabling them to cast their vote electronically and in a secure manner. In compliance with the MCA Circulars, the Company sent the Postal Ballot Notice only in electronic form to those Members whose names appeared in the Register of Members/List of Beneficial Owners as received from the Depositories/MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), the Company's Registrars and Transfer Agents as on the Cut-Off Date (i.e. February 07, 2025 for Postal Ballot notice dated February 08, 2025). The Scrutinizer, after the completion of scrutiny, submitted his report. The consolidated results of the remote e-Voting were then announced on March 17, 2025 and were also available on the Company's website at [www.parasdefence.com](http://www.parasdefence.com) besides being communicated to BSE Limited (BSE), National Stock Exchange of India Limited (NSE).

## 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, 2025, are given below:

| Sr. No. | Name                     | Designation   |
|---------|--------------------------|---|
| 1.      | Harsh Dhirendra 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. Rajagopal             | 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, Business Development                      |
| 9.      | D. Ramakantha            | General Manager - Business Development                    |
| 10.     | Dr. Padmanabham          | Senior Vice President, Electronics                        |
| 11.     | G. S. Ravichandar        | Senior Vice President, Head of Naval Business Development |
| 12.     | Yellamanda Y             | Vice President  |

## 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, 2025, 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 2024-25 and their shareholding in the Company as on March 31, 2025, 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 2024-25:

| (Amount in ₹)       |              |           |
|---------------------|--------------|-----------|
| Name of Directors   | Remuneration | Total     |
| Munjal Sharad Shah  | 84,00,000    | 84,00,000 |
| Shilpa Amit Mahajan | 38,70,000    | 38,70,000 |

### 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 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, 2025

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, 2025, were held on the following dates:

| Sr. No. | Particulars                           | Date              |
|---------|---------------------------------------|-------------------|
| 1.      | Quarter ended June 30, 2024           | August 05, 2024   |
| 2.      | Quarter ended September 30, 2024      | October 28, 2024  |
| 3.      | Quarter ended December 31, 2024       | February 08, 2025 |
| 4.      | Quarter and Year ended March 31, 2025 | April 30, 2025    |

**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 |
|-----------------------|--------|----------|
| 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, 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. Further, the audited annual results along with the Auditors' Report are uploaded on the NEAPS Portal and BSE Listing Centre as well as published in leading newspapers.

The results and reports have been simultaneously posted on the website of the Company at <https://parasdefence.com/investors>.

**c) Annual Reports and Annual General Meetings (AGM)**

The Notice of the AGM along with the Annual Report for financial year 2024-25 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://parasdefence.com/investors>. Further, pursuant to Regulation 36(1)(b) of Listing Regulations, a letter providing a web link of the Annual Report, is being sent to the members whose email addresses are not registered with the Company/ DP. However, Members desiring a physical copy of the Annual Report for Financial Year 2024-25, may either write to us or email us at [cs@parasdefence.com](mailto: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 2024-25.

**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

The presentation is available on the Company's website at <https://parasdefence.com/investors>

**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](mailto:cs@parasdefence.com)

**8. GENERAL SHAREHOLDER INFORMATION**

a) **Details of AGM:** 21<sup>st</sup> August, 2025 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, 2024 to March 31, 2025

**International Securities Identification Number (ISIN):**

|   |   |  |
|---|---|--|
| As on March 31, 2025  | - | INE045601015                                     |
| As on the date of signing of the Board of Directors' Report | - | INE045601023                                     |
| i.e. July 25, 2025  |   | (post the split of equity shares of the Company) |

Corporate Identification Number (CIN): L29253MH2009PLC193352

**d) Listing and Custodial Fees**

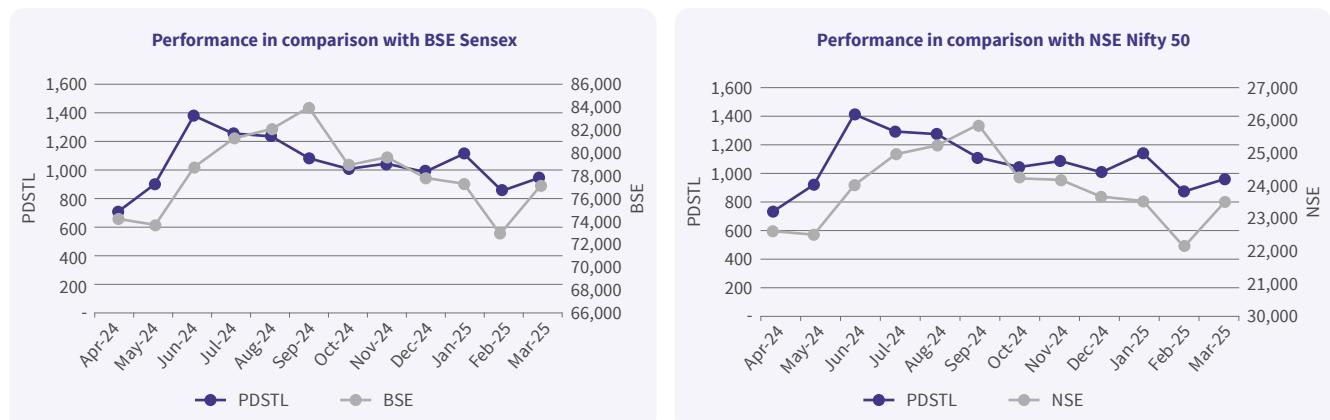
The Annual Listing Fee and Custodial fees for the financial year 2024-25 and 2025-2026 have been paid to both the above-mentioned Stock Exchanges and Depositories viz. CDSL and NSDL respectively.

**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 2024-2025 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.) (in lakhs) |
| April, 2024     | 774.95         | 619.95        | 722.25          | 392839                  | 775            | 622.75        | 726             | 648420                  |
| May, 2024       | 973.7          | 681.5         | 917             | 1718236                 | 974            | 681.95        | 916.3           | 2401052                 |
| June, 2024      | 1527.05        | 750           | 1408.70         | 3115828                 | 1527.55        | 743.45        | 1407.95         | 5058602                 |
| July, 2024      | 1592.70        | 1247.75       | 1286.30         | 626105                  | 1592.75        | 1245          | 1290.1          | 1140522                 |
| August, 2024    | 1317           | 1132.20       | 1272.35         | 110318                  | 1323.95        | 1139.5        | 1272.1          | 348527                  |
| September, 2024 | 1277           | 1053          | 1109.70         | 52398                   | 1294.85        | 1053.2        | 1105.8          | 174101                  |
| October, 2024   | 1140           | 895.95        | 1042            | 121808                  | 1140           | 896.35        | 1041.55         | 418061                  |
| November, 2024  | 1104.80        | 925.05        | 1074.60         | 140777                  | 1104           | 930.65        | 1074.7          | 440819                  |
| December, 2024  | 1173.80        | 990.65        | 1008.20         | 130114                  | 1174.35        | 978.6         | 1007.8          | 399646                  |
| January, 2025   | 1153.65        | 958.55        | 1135.90         | 234490                  | 1153.25        | 959.95        | 1136.65         | 783803                  |
| February, 2025  | 1175           | 830           | 874.7           | 189368                  | 1174.95        | 828.1         | 874.05          | 572569                  |
| March, 2025     | 1047           | 809.4         | 957.9           | 270125                  | 1046.95        | 809.85        | 958.25          | 504045                  |

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: MUFG Intime India Private Limited (formerly known as 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: [mumbai@in.mpms.mufg.com](mailto:mumbai@in.mpms.mufg.com)

#### **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               | 313019                 | 99.3301                 | 99,91,762          | 24.7974                  |
| 2.           | 501 to 1000            | 1366                   | 0.4335                  | 10,26,484          | 2.5475                   |
| 3.           | 1001 to 2000           | 437                    | 0.1387                  | 6,35,005           | 1.5759                   |
| 4.           | 2001 to 3000           | 112                    | 0.0355                  | 2,85,304           | 0.7081                   |
| 5.           | 3001 to 4000           | 59                     | 0.0187                  | 2,09,547           | 0.5198                   |
| 6.           | 4001 to 5000           | 28                     | 0.0089                  | 1,32,380           | 0.3285                   |
| 7.           | 5001 to 10000          | 55                     | 0.0175                  | 4,01,395           | 0.9962                   |
| 8.           | 10001 to 9999999       | 54                     | 0.0171                  | 2,76,11,878        | 68.526                   |
| <b>Total</b> |                        | <b>3,15,130</b>        | <b>100</b>              | <b>4,02,93,665</b> | <b>100</b>               |

#### **j) Shareholding Pattern as on March 31, 2025**

| Category of Shareholders   | No. of Shares      | % of Total shares |
|--|--------------------|-------------------|
| <b>1. Promoter (A)</b>   | 2,29,87,250        | 57.05             |
| <b>2. Public Shareholding (B)</b>  |                    |                   |
| Mutual Funds   | 4,47,260           | 1.11              |
| Alternative Investment Funds   | 4500               | 0.01              |
| Insurance Companies  | 1,69,577           | 0.42              |
| NBFCs registered with RBI  | 1485               | 0.00              |
| Foreign Portfolio Investors Category I   | 20,03,124          | 4.97              |
| Foreign Portfolio Investors Category II  | 1,07,414           | 0.27              |
| Directors and their relatives<br>(excluding independent directors and nominee directors) | 14,00,000          | 3.47              |
| Individual Shareholders holding nominal share Capital upto ₹ 2 Lakhs                     | 1,18,52,335        | 29.42             |
| Individual Shareholders holding nominal share Capital in excess of ₹ 2 Lakhs             | 1,55,449           | 0.39              |
| Non-Resident Indians (NRIs)  | 3,96,514           | 0.98              |
| Foreign Nationals  | 210                | 0.00              |
| Bodies Corporate   | 2,82,169           | 0.70              |
| Trusts   | 350                | 0.00              |
| LLP  | 1,56,693           | 0.39              |
| HUF  | 3,29,315           | 0.82              |
| Clearing Members   | 20                 | 0.00              |
| <b>Total (A+B)</b>   | <b>4,02,93,665</b> | <b>100.00</b>     |

#### **k) Dematerialisation of Shares and Liquidity**

100% shareholding of promoters and non-promoters is in dematerialized form.

| Holding Type | No. of Shares      | Share%     |
|--------------|--------------------|------------|
| <b>Demat</b> |                    |            |
| CDSL         | 2,14,10,396        | 53.14      |
| NSDL         | 1,88,83,269        | 46.86      |
| Physical     | 0                  | 0          |
| <b>Total</b> | <b>4,02,93,665</b> | <b>100</b> |

#### **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:

| <b>CRISIL Ratings Limited</b> |                                |                       |                      |
|-------------------------------|--------------------------------|-----------------------|----------------------|
| <b>Instrument Type</b>        | <b>Size of Issue(₹ in Cr.)</b> | <b>Rating Outlook</b> | <b>Rating Action</b> |
| Bank Guarantee                | 23.00                          | CRISIL A2+            |                      |
| Cash Credit                   | 39.00                          | CRISIL A-/ Stable     |                      |
| Letter of Credit              | 5.00                           | CRISIL A2+            |                      |
| Long Term Loan                | 10.00                          | CRISIL A-/Stable      | Reaffirmed           |
| Pre-Shipment Credit           | 7.00                           | CRISIL A2+            |                      |
| Proposed Term Loan            | 19.00                          | CRISIL A- / Stable    |                      |

| <b>ICRA Ratings Limited</b>                            |                                |                           |  |
|--|--------------------------------|---------------------------|--|
| <b>Instrument Type</b>                                 | <b>Size of Issue(₹ in Cr.)</b> | <b>Rating Outlook</b>     | <b>Rating Action</b>   |
| Long term – Fund Based - Cash Credit                   | 39.00                          | ICRA A- (Stable)          |  |
| Long term – Fund based - Overdraft                     | 5.00                           | ICRA A- (Stable)          |  |
| Long term/Short term – Non-Fund Based - Bank Guarantee | 157.75                         | ICRA A- (Stable)/ICRA A2+ | Reaffirmed the ratings and revised the Outlook from 'Negative' to 'Stable' |

**n) Address for correspondence**

Shareholders may correspond with the Company's Registrar and Share Transfer Agent viz. MUFG Intime India Private Limited (formerly known as 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:

MUFG Intime India Private Limited (formerly known as 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: [mumbai@in.mpms.mufg.com](mailto:mumbai@in.mpms.mufg.com)

**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](mailto: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 Sankey, Cross Road, Bengaluru.

(v) Centre of Excellence for Defence and Space Optics is operated from Yelahanka, Bengaluru.

**9. OTHER DISCLOSURES**

**a) Materially Significant Related Party Transactions**

During the year, the Company entered into contract/arrangement/transaction with Controp-Paras Technologies Private Limited (Associate Company), which is considered as material in accordance with the SEBI Listing Regulations as well as the policy of the Company on materiality of related party transactions, after obtaining the prior approval of the Board of Directors and shareholders. Details of the material transaction entered into with Controp-Paras Technologies Private Limited forms part of Notes to the Financial Statements.

None of the transactions with any of related parties were in conflict with the Company's interest.

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://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://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 of Policy on determining 'material' subsidiaries**

The Company's policy on determining 'material' subsidiaries is available on the Company's website at <https://parasdefence.com/investors>

The disclosure in compliance with the Regulation 32(7A) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") is as under:

| Sr. No.      | Particulars   | Actual utilization of QIP proceeds upto March 31, 2025 (₹ crores) |
|--------------|---|---|
| 1.           | Funding working capital requirements of the Company | 120.00  |
| 2.           | General corporate purposes (excluding QIP expenses) | 5.530   |
| 3.           | Issue expenses                                      | 4.195   |
| <b>Total</b> |   | <b>129.725</b>  |

Out of the total funds raised by the Company under the QIP, an amount of ₹ 5.46 crores is yet to be utilized, as on March 31, 2025.

**i) Recommendation of Committees**

All recommendations/submissions made by various Committees of the Board during the financial year 2024-25 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               | 41.00          | 10.61           | 51.61        |
| Quarterly Review              | 18.00          | 4.74            | 22.74        |
| Tax Audit                     | 11.00          | 0.50            | 11.50        |
| For Certification charges     | 1.20           | 1.48            | 2.68         |
| For Reimbursement of Expenses | 0.85           | 0               | 0.85         |
| <b>Total</b>                  | <b>72.05</b>   | <b>17.33</b>    | <b>89.38</b> |

**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 2024-2025, 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 Auditors | Date of Appointment/Reappointment of Statutory Auditor  |
|---------------------------------|--------------------------------------|--------------------------------|---|
| Opel Technologies Pte. Ltd.     | 02-Jan-2019<br>Republic of Singapore | MGI N RAJAN<br>ASSOCIATES      | Appointment – 12-07-2022<br>Re-appointment – 28-09-2024 |

**n) Disclosures with respect to demat suspense account/unclaimed suspense account: Not Applicable**

**9.1 CERTIFICATIONS**

**a) Certificate from Secretarial Auditors**

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 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, 2025 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: July 25, 2025

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](http://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 31<sup>st</sup> March, 2025 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.

**Tribhuwneshwar Kaushik-** Partner  
**DM & Associates Company Secretaries LLP**  
Firm Registration Number: L2017MH003500  
Membership No.: FCS 10607  
CP No.: 16207  
**UDIN:** F010607G000810043

Place: Mumbai  
Date : July 18, 2025

## **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, 2025.

**Munjal Sharad Shah**

Managing Director  
DIN: 01080863

Date: July 25, 2025  
Place: Navi Mumbai



## 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 Dhirendra 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

**Harsh Dhirendra Bhansali**  
Chief Financial Officer

Date: July 25, 2025  
Place: Navi Mumbai

## **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, amended]

To,  
The Members of  
**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 31<sup>st</sup> March, 2025, 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: F010607G000810109

Place: Mumbai

Date: July 18, 2025

## 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 2024-25 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](http://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://parasdefence.com/>
- 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.      | 2024-25        | NIL  | NIL   |

- 6.** Average net profit of the Company as per Section 135(5) is ₹ 39,40,14,677/- (Rupees Thirty Nine Crores Forty Lakhs Fourteen Thousand Six Hundred and Seventy Seven Only)
- 7.**
  - (a) Two percent of average net profit of the Company as per Section 135(5) is 78,80,294/- (Seventy Eight Lakhs Eighty Thousand Two Hundred and Ninety Four 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 ₹ 78,80,294/- (Seventy Eight Lakhs Eighty Thousand Two Hundred and Ninety Four 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 |  |
| 88,00,000  | NIL   | NIL              | NIL   | NIL    | -                |  |

## (b) Details of CSR amount spent against ongoing projects for the financial year:

| (1)<br>Sr.<br>No. | (2)<br>Name<br>of the<br>Project | (3)<br>Item from<br>the list of<br>activities<br>in Schedule<br>VII to the<br>Act. | (4)<br>Local<br>area<br>(Yes/No) | (5)<br>Location of the<br>project |          | (6)<br>Project<br>duration | (7)<br>Amount<br>allocated<br>for the<br>project<br>(in ₹) | (8)<br>Amount<br>spent<br>in the<br>current<br>financial<br>Year<br>(in ₹) | (9)<br>Amount<br>transferred to<br>Unspent CSR<br>Account for<br>the project as<br>per Section<br>135(6) (in ₹) | (10)<br>Mode of<br>Implementation<br>- Direct<br>(Yes/No) | (11)<br>Mode of<br>Implementation<br>- Through<br>Implementing<br>Agency |
|-------------------|----------------------------------|--|----------------------------------|-----------------------------------|----------|----------------------------|--|--|---|---|--|
|                   |                                  |  |                                  | State                             | District |                            |  |  |   | Name  | CSR<br>Registration<br>number  |
| NIL               |                                  |  |                                  |                                   |          |                            |  |  |   |   |  |

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1)<br>Sr.<br>No. | (2)<br>Name of the<br>Project                | (3)<br>Item from the list of<br>activities in schedule<br>VII to the Act  | (4)<br>Local area<br>(Yes/ No) | (5)<br>Location of the<br>project |                  | (6)<br>Amount<br>spent for the<br>project<br>(in ₹) | (7)<br>Mode of<br>implementation -<br>Direct (Yes/No) | (8)<br>Mode of implementation -<br>Through implementing agency |                            |
|-------------------|--|---|--------------------------------|-----------------------------------|------------------|---|---|--|----------------------------|
|                   |  |   |                                | State                             | District         |   |   | Name   | CSR registration<br>number |
| 1.                | New Bombay<br>Rotary<br>Charitable<br>Trust  | Healthcare  | Yes                            | Navi Mumbai,<br>Maharashtra       | 300000           | Yes   | -   | -  | -                          |
| 2.                | Shree Maa<br>Group<br>Charitable Trust       | Animal Welfare  | No                             | Nara, Gujarat                     | 3000000          | Yes   | -   | -  | -                          |
| 3.                | Faith Charitable<br>Trust                    | Promoting Education   | No                             | Nara, Gujarat                     | 1000000          | Yes   | -   | -  | -                          |
| 4.                | Shree Bapa<br>Jalaram<br>Charitable<br>Trust | Promoting Education<br>and Reducing<br>inequalities faced<br>by socially and<br>economically<br>backward groups | Yes                            | Mumbai,<br>Maharashtra            | 500000           | Yes   | -   | -  | -                          |
| 5.                | Shree Bidada<br>Sarvodaya Trust              | Healthcare  | No                             | Kutch, Gujarat                    | 4000000          | Yes   | -   | -  | -                          |
| <b>Total</b>      |  |   |                                |                                   | <b>88,00,000</b> |   |   |  |                            |

(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): **₹ 88,00,000/-**(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)                                      | 78,80,294     |
| (ii)    | Total amount spent for the Financial Year   | 88,00,000     |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | 9,19,706      |
| (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)]                                     | 9,19,706*     |

\*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.<br>No.     | Preceding<br>Financial Year | Amount transferred to<br>Unspent CSR Account under<br>Section 135 (6) (in ₹) | Amount spent in the<br>reporting Financial<br>Year (in ₹) | Amount transferred to any fund specified<br>under Schedule VII as per Section 135(6),<br>if any |                  |                     | Amount remaining to<br>be spent in succeeding<br>financial years (in ₹) |
|----------------|-----------------------------|--|---|---|------------------|---------------------|---|
|                |                             |  |   | Name of the<br>Fund   | Amount<br>(in ₹) | Date of<br>transfer |   |
| Not Applicable |                             |  |   |   |                  |                     |   |

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

| (1)<br>Sr.<br>No. | (2)<br>Project ID | (3)<br>Name of the<br>Project | (4)<br>Financial Year in<br>which the project<br>was commenced | (5)<br>Project<br>duration | (6)<br>Total amount<br>allocated for the<br>project (in ₹) | (7)<br>Amount spent on<br>the project in the<br>reporting Financial<br>Year (in ₹) | (8)<br>Cumulative amount<br>spent at the end of<br>reporting Financial<br>Year (in ₹) | (9)<br>Status of<br>the project -<br>Completed /<br>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

Date: July 25, 2025

Place: Navi Mumbai

**Munjal Sharad Shah**

Managing Director  
DIN: 01080863

## **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

| <b>Sr. No.</b> | <b>Particulars</b>   | <b>Details</b>  |
|----------------|--|---|
| 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/Advance to Suppliers  |
| 3.             | Duration of the contracts / arrangements/transactions                                      | Financial Year 2024-25  |
| 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   | Rs. 29,89,43,072/-  |
| 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  | Rs. 39,02,078/-   |

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: July 25, 2025

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 2024-25:

| Name of Director(s) /Key Managerial Personnel (KMP) | Designation                                     | Remuneration Of Director/KMP (amount in Rs.) | Ratio of Remuneration of each Director to the median remuneration of employees | % increase in remuneration |
|---|---|--|--|----------------------------|
| Munjal Sharad Shah                                  | Managing Director                               | 84,00,000                                    | 27.90  | 0                          |
| Shilpa Amit Mahajan                                 | Whole-Time Director                             | 38,70,000                                    | 12.85  | 1                          |
| Harsh Dhirendra Bhansali                            | Chief Financial Officer                         | 60,73,334                                    | 20.17  | 27                         |
| Jajvalya Raghavan                                   | Company Secretary and Compliance Officer        | 22,76,604                                    | 7.56   | 0                          |
| Amit Navin Mahajan                                  | Director - Technical and R&D                    | 60,73,334                                    | 20.17  | 27                         |
| Anish Hemant Mehta                                  | Director - Business Development                 | 55,09,999                                    | 18.30  | 53                         |
| Ami Munjal Shah                                     | Senior VP - HR & Administrator                  | 60,00,000                                    | 19.93  | 0                          |
| R. Rajagopalan                                      | Sr. VP – Business Development                   | 61,20,000                                    | 20.33  | 5                          |
| K. Natarajan  | Sr. VP – Software Development                   | 46,83,600                                    | 15.55  | 5                          |
| N. Saravanan  | Sr. VP – System Integration                     | 46,58,066                                    | 15.47  | 8                          |
| Bharat Yelkur                                       | VP – Marketing                                  | 25,86,000                                    | 8.59   | 0.2                        |
| Ramakantha D  | General Manager – Business Development          | 19,20,000                                    | 6.38   | 10                         |
| G. S. Ravichandran                                  | Senior- VP - Head of Naval business Development | 30,00,000                                    | 9.96   | 6                          |
| K. Padmanabham                                      | Senior - VP - Electronics                       | 19,81,200                                    | 6.58   | 10                         |
| Yellamanda Y  | General Manager                                 | 15,85,568                                    | 5.27   | NA                         |

**Notes:**

- a) To derive median, only employees on the payroll of the Company are taken into consideration.
  - b) 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:  
1.99
  - c) 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 1.99, Mr. Suresh Katyal 1.99 and Dr. Hina Amol Gokhale 1.99
  - d) 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.
2. The percentage increase in the median remuneration of employees in the financial year: - 3.43%
  3. The number of permanent employees on the rolls of Company: 537

- 
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 24.08%.

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: July 25, 2025

Place: Navi Mumbai

## ANNEXURE – 6

### Management Discussion and Analysis

#### Economic Environment

##### Global Economic Overview<sup>1</sup>

The world economy advanced by 3.3% during CY 2024 amid prevailing geopolitical tensions, deceleration in China and policy uncertainty in leading economies. Growth in Europe trailed owing to elevated energy prices driven by persistent conflict in Eastern Europe and the Middle East and ageing populations, particularly in Germany and Italy. Conversely, the US economy grew by 2.8%, which helped stabilise world output. Emerging economies in Asia supported overall growth fuelled by robust manufacturing and technological innovation.

Inflation moderated globally to 5.7%, from 6.6% in 2023, driven by advanced economies. However, other regions experienced lingering price pressures, prompting central banks to implement cautious monetary easing. Increased bond yields in developed economies were indicative of concerns among investors about inflation, geopolitical uncertainty and changing monetary policies.

As global growth continues to be increasingly driven by emerging markets, especially in electronics and digital infrastructure, strategic investment and policy changes will be necessary to drive long-term growth.

##### Outlook

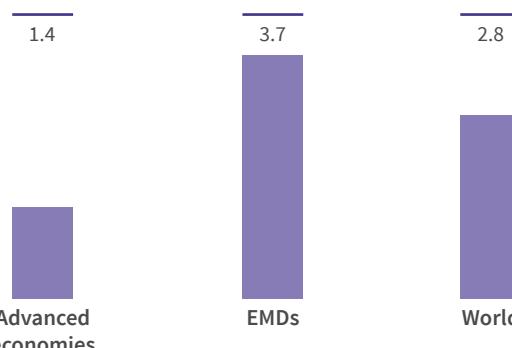
The global economic outlook remains moderate, with projected stable growth at 2.8% in 2025. Disinflationary trends, driven by a cooling labour market and declining oil prices, are expected to continue. This decline is expected to create a conducive environment for central banks to transition toward more expansionary monetary policies. Inflation is forecasted to ease to 4.3% by the end of CY 2025, signalling a steady global economic recovery, particularly in emerging markets.

Geopolitical tensions and structural issues in key emerging markets like China notwithstanding, the overall outlook reflects the potential for growth, supported by government initiatives and fiscal consolidation efforts. The implementation of tariff policies by the US has caused global trade volumes estimates to be forecasted downwards creating an environment of protectionism.

Meanwhile, Europe continues to face the risk of stagnation. Positively, the continued strength in fundamental sectors and post-pandemic consumption growth may support long-term recovery. The manufacturing industry of developing economies stands to benefit from the competitive advantage of supply chain shifts and bilateral trade deals. The evolving global trade landscape, along with strategic fiscal policies and ongoing structural reforms are

expected to drive innovation in the medium-term. With enhanced productivity, resilient supply chains, sustained economic growth is expected in the emerging markets and developing economies.

##### Global GDP forecast (2025) (in %)



Source: World Economic Outlook (April 2025)

##### Indian Economic Overview<sup>2</sup>

India's economy demonstrated remarkable resilience in FY 2024-25, with its GDP recording a growth of 6.5%. Despite global economic turbulence and geopolitical tensions, India's economic performance remained strong, supported by a robust export sector. Although the manufacturing industry experienced a slowdown, manufacturing exports, particularly in high-value industries such as electronics strengthened India's position in global value chains. However, geopolitical uncertainties and supply chain disruptions, particularly in the Red Sea region, have impacted export growth. The electronics industry, particularly semiconductor and electronic components has displayed strong growth. This growth conveys the increasingly crucial role of India in these critical global sectors.

Although inflation remained above the Reserve Bank of India's (RBI) target range of 4-6% for several months, fiscal management remained prudent, with a fiscal deficit of 4.4%-4.5% of GDP. This provided sufficient fiscal headroom for increased government spending. The RBI's monetary policies, including ₹1.5 trillion liquidity injection and interest rate cuts are expected to ease liquidity conditions, support private capital expenditure and stimulate consumption, laying the groundwork for sustainable growth.

Further, the economy witnessed a 26% year-on-year increase in Foreign Direct Investment (FDI) inflows in H1 FY 2024-25, signalling growing investor confidence. The country's position as the third-largest recipient of greenfield investments demonstrates its potential as a hub for technological advancements, particularly in the electronics and manufacturing sectors.

<sup>1</sup>World Economic Outlook, April 2025: A Critical Juncture amid Policy Shifts

<sup>2</sup><https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULL22042025F03F83AE118C4B3B84E662D980C8DE33.PDF>

## Outlook

India's economic outlook remains optimistic, driven by strong domestic fundamentals and a robust growth trajectory. The country is projected to maintain its position as one of the world's fastest-growing economies, with real GDP growth forecasted at 6.5% for FY 2025-26. This growth is likely to be driven by reduced inflation and enhanced private investment. Infrastructure spending has witnessed notable growth, increasing by 38.8% between FY 2019-20 and FY 2023-24, with further capital expenditure expected in the latter half of FY 2024-25. This is expected to stimulate demand and attract private sector investment.

India is also set to gain from higher Foreign Direct Investment (FDI), particularly due to cost-effective expansion avenues sought by multinational companies. Government efforts such as the Production-Linked Incentive (PLI) scheme will remain crucial in establishing India's rising prominence in global electronics manufacturing and export markets. The strategic strength of the country, including currency devaluation that has made exports competitively priced and its evolution as a competitive manufacturing hub, will continue to support the sector's growth.

While risks such as geopolitical uncertainties and volatile crude oil prices exist, India's economic resilience, backed by strong public and private investments positions the nation for sustained economic expansion.

### India's real GDP growth (in %)



Source: RBI Bulletin April 2025

## Industry Overview

### Global Defence Industry<sup>4</sup>

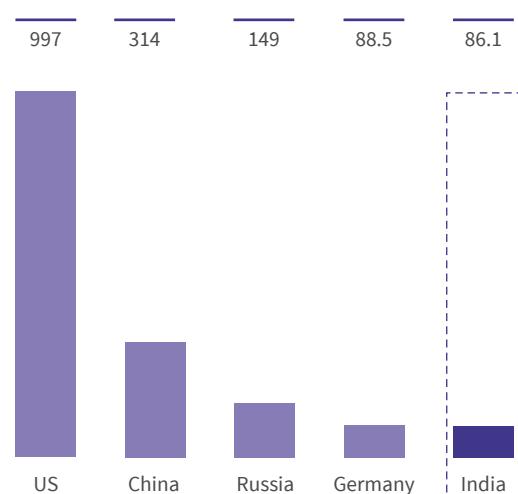
The global defence industry is being shaped by a new era of advanced warfare driven by AI-powered planning, autonomous drones and cyber warfare. Escalating geopolitical turbulence and heightened military spending by nations worldwide is favouring the shift of the industry towards emerging players.

In 2024, the world military expenditure reached an unprecedented high of \$2,718 billion. The top five military spenders included the

US, China, Russia, Germany and India. These nations together accounted for 60% of the global total, with a combined spending of \$1,635 billion. Military expenditure formed 2.5 per cent of the global GDP in 2024.

All NATO members heightened their military expenditure in 2024. Military spending by the USA witnessed an elevation of 5.7% and reached \$997 billion, which was 66% of the total NATO spending and 37% of the global military spending in 2024. Israel's military expenditure surged by 65% to \$46.5 billion in 2024, primarily driven by the prolonged conflict in the Middle-East.

### Global Military Expenditure (\$ in billions)



Source: Stockholm International Peace Research Institute

### Indian Defence Industry

India maintains the world's second-largest active armed forces and is the world's fourth-largest spender on military resources. In recent years, the nation has consistently allocated an estimated 2% of its GDP for defence expenditure. In FY 2024-25, a substantial budget of ₹ 6.22 lakh crore was allocated to the defence sector.<sup>5</sup>

The sector has witnessed a swift transformation and has significantly reduced its dependence on imports. From being 65%-70% import dependent to achieving 65% domestic manufacturing, the industry has considerably enhanced India's self-reliance in defence.<sup>6</sup> Central to this transformation is the growth of India's private defence manufacturing industry, contributing 21% to total defence production.<sup>7</sup> In FY 2024-25, the Ministry of Defence signed a record 193 contracts, with the total contract value exceeding ₹2,09,050 crore, nearly double of the previous highest figure. Of these, 177 contracts have been awarded to the domestic industry, amounting to ₹1,68,922 crore, which is 81% of the total contract value.<sup>8</sup> This significant focus on indigenous manufacturing aligns with the nation's vision of self-reliance in defence production, boosting local industries and employment generation across the sector.

<sup>3</sup>Projected

<sup>4</sup><https://www.sipri.org/media/press-release/2025/unprecedented-rise-global-military-expenditure-european-and-middle-east-spending-surges>

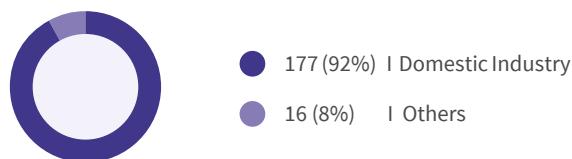
<sup>5</sup>[https://www.careratings.com/uploads/newsfiles/1735540355\\_Indian%20defence%20industry%20-%20CareEdge%20Report.pdf](https://www.careratings.com/uploads/newsfiles/1735540355_Indian%20defence%20industry%20-%20CareEdge%20Report.pdf)

<sup>6</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2116612>

<sup>7</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2116612>

<sup>8</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2116612>

### Share of Domestic Defence Contracts in FY 2024-25



Source: Ministry of Defence

Defence exports reached an unprecedented ₹ 23,622 crore in FY 2024-25, registering a surge of ₹2,539 crore or 12.04% over FY 2023-24.<sup>9</sup> These exports encompassed ₹15,233 crore from the private sector and ₹8,389 crore from DPSUs, an increase of ₹15,209 crore and ₹5,874 crore respectively from FY 2023-24.<sup>10</sup> With policy-driven boost, defence exports are expected to grow at ~19% during next 5 years (i.e. from FY24 to FY29).<sup>11</sup> The government aims to increase defence exports to ₹50,000 crore by FY 2029, reflecting India's growing importance in the global defence value chain.<sup>12</sup>

**₹ 89,702 Cr**  
DEFENCE PRODUCTION (24-25)

**₹ 1,468.23 Cr**  
DEFENCE EXPORTS (25-26)

**100**  
COUNTRIES EXPORTED TO

Source: Society of Indian Defence Manufacturers

Moving forward, India's defence budget has been set to ₹6.81 lakh crore in FY 2025-26. This is expected to further reinforce the nation's defence capabilities. The outlay for annual defence production is projected to increase from ₹1.75 lakh crore in FY 2024-25 to ₹3 lakh crore in 2029, projecting a CAGR of 20% and further establishing the nation as a global defence manufacturing hub.<sup>13</sup> In addition, the nation is projected to spend ₹11 lakh crore on fleet modernisation in the next 5-7 years.<sup>14</sup>

### Govt Initiatives

#### Innovations for Defence Excellence (iDEX)

By engaging MSMEs, startups, individual innovators, R&D institutes and academia, iDEX has provided grants of up to ₹1.5 crore for the development of innovative technologies. To further enhance self-reliance in defence technology, ₹449.62 crore has been allocated to iDEX, including its sub-scheme Acing Development of Innovative Technologies with iDEX (ADITI), for 2025-26. Building on its success, iDEX Prime was introduced, enhancing this support to Rs 10 crore.<sup>15</sup>

#### Make in India

Through the 'Make in India' initiative and policy reforms, the government has actively promoted domestic production and reduced reliance on foreign procurement. This shift has been a meaningful step towards India's broader vision of achieving Atmanirbharti (self-reliance) in defence. This has positioned the nation as an emerging hub for the production of advanced military technologies and equipment.

#### Liberalised FDI Policy

Foreign Direct Investment (FDI) in the defence sector was liberalised in September 2020 to attract foreign investment. The liberalisation has allowed up to 74% FDI through the automatic route and above 74% through the government route. Since April 2000, the total FDI in defence industries stands at ₹5,516.16 crore.

#### Ease of Doing Business (EoDB)

- The government has introduced several measures to enhance the ease of doing business in the defence manufacturing sector.
- The validity of export authorisation for parts and components has been extended from two years to the completion of the order or component, whichever is later.
- In 2019, the Defence Product List was streamlined to reduce the number of items requiring a manufacturing licence.
- Parts and components of defence items were de-licensed in September 2019 to encourage investment.
- The validity of defence licences under the Industries (Development and Regulation) Act, 1951, has been extended from 3 years to 15 years, with a further extension option of up to 18 years.
- The introduction of an end-to-end digital export authorisation system has improved efficiency, with more than 1,500 authorisations issued in the last financial year.

<sup>9</sup><https://pib.gov.in/PressReleasePage.aspx?PRID=2117348>

<sup>10</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2116612>

<sup>11</sup>[https://www.careratings.com/uploads/newsfiles/1735540355\\_Indian%20defence%20industry%20-%20CareEdge%20Report.pdf](https://www.careratings.com/uploads/newsfiles/1735540355_Indian%20defence%20industry%20-%20CareEdge%20Report.pdf)

<sup>12</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2117348>

<sup>13</sup>[https://www.careratings.com/uploads/newsfiles/1735540355\\_Indian%20defence%20industry%20-%20CareEdge%20Report.pdf](https://www.careratings.com/uploads/newsfiles/1735540355_Indian%20defence%20industry%20-%20CareEdge%20Report.pdf)

<sup>14</sup><https://www.investindia.gov.in/sector/defence-manufacturing>

<sup>15</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2122381>

## MAKE Procedure

As of March 24, 2025, a total of 145 projects have been undertaken under the MAKE initiative, with the participation of 171 industries, notably driving indigenous defence production.

The initiative includes 40 MAKE-I projects (Government Funded), 101 MAKE-II projects (Industry Funded) and 4 MAKE-III projects (Manufacturing through ToT). These projects are playing a vital role in strengthening self-reliance in defence manufacturing.

**Domestic Procurement Allocation:** MoD has earmarked 75% of modernisation budget amounting to ₹1,11,544 crore for procurement through domestic industries during the current fiscal.<sup>16</sup>

## Acing Development of Innovative Technologies (ADITI) Scheme

The newly launched ADITI scheme provides assistance of up to ₹25 crore to help scale breakthrough innovations. With the broader aim of strengthening the start-ups and MSMEs, the Ministry of Defence has approved purchases worth more than ₹2,400 crore from start-ups/MSMEs and projects worth more than ₹1,500 crore have been approved for development of new technology.<sup>17</sup>

## Global Space Sector

Across emerging economies, the space sector is witnessing a notable surge. Small satellite networks are gaining prominence as the world moves to a space-based economy. The number of launches has increased significantly from a handful a decade ago to a few every week. The global space economy is projected to sustain its momentum and is expected to reach a valuation of \$1.8 trillion by 2035.<sup>18</sup>

## Key Drivers<sup>19</sup>

### Declining Launch Costs

Over the course of the past two decades, global space launch costs have witnessed a ten-fold decline, allowing for an increasing number of launches.

### Increasing Space Applications and Investment

An increase in space-related activities including space tourism has fuelled rising investments from the private sector.

### Competitive Zeal

Awareness and excitement over the latest space developments is evident all over the world. Governments and business leaders are increasingly realising the potential of space-related technologies for the future.

### Commercial Innovation

Shrinking size of satellites, paired with heightened commercial innovation is resulting in a surge of new space applications. For

example, objects may now be identified at a resolution of 15 centimetres from space-based earth observation. Additionally, the cost per pixel has sustained its decline, enhancing the commercial viability of such operations.

## Indian Space Sector

India's space sector has demonstrated notable technological accomplishments over the years. The cost-effectiveness, reliability and efficiency of the Indian Space Agency, Indian Space Research Organisation (ISRO) has come to the fore in numerous recent missions. The organisation has successfully launched satellites for communication, navigation and earth observation and was the first in Asia and fourth in the world to have successfully accomplished an interplanetary Mars Orbiter Mission (Mangalyaan).

In 2021, the Indian space industry contributed 2% to the global share. This is expected to rise to 8% by 2030 and further to 15% by the year 2047.<sup>20</sup> India's space industry is projected to grow to \$44 billion by 2033.<sup>21</sup>

## Government Initiatives

### Indian Space Policy

The Indian Government has launched various initiatives and policy schemes, such as Indian Space Policy 2023, to augment the capabilities in technology development. These schemes are expected to benefit allied sectors and promote the inclusive socio-economic development of the nation.

### Seed Funding Scheme

The Seed Funding Scheme aims to increase the participation of private companies, start-ups and industrial corporations to supplement and enhance the expanding infrastructure in the space sector. In the journey to become a global leader, the space sector of India is set to offer a plenitude of opportunities.

### FDI

Currently, India allows 100% FDI in the space sector thereby unleashing new horizons of innovation and growth in the sector.<sup>22</sup> India's space budget has tripled from ₹5,615 crores in 2013-14 to ₹13,416 crores in the recent budget, marking a staggering 138.93% increase.<sup>23</sup>

### Indian National Space Promotion and Authorisation Centre (IN-SPACe)

To facilitate participation from the private sector, the Department of Space (DoS) established the National Space Innovation and Applications (NSIL) and Indian National Space Promotion and Authorisation Centre (IN-SPACe). The Indian government is also providing unstinted support and encouragement through initiatives such as the recently approved \$120 million venture capital fund

<sup>16</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2116612>

<sup>17</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2122381>

<sup>18</sup><https://www.mckinsey.com/industries/aerospace-and-defense/our-insights/space-the-1-point-8-trillion-dollar-opportunity-for-global-economic-growth>

<sup>19</sup><https://www.mckinsey.com/industries/aerospace-and-defense/our-insights/space-the-1-point-8-trillion-dollar-opportunity-for-global-economic-growth/#/>

<sup>20</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2027137>

<sup>21</sup><https://www.investindia.gov.in/sector/space>

dedicated to the space sector.<sup>24</sup> India's scientific advancements in AI, quantum technology and bioengineering are further cementing the nation's position as a champion in space and other futuristic technologies.

### Upcoming Projects

Upcoming projects such as Aditya L-1, India's first space-based mission to study the sun, highlights the country's commitment to space exploration. The trials for the Gaganyaan Mission, India's first human spaceflight mission, are set to commence along with the ROBO Mission by the end of 2025. Four astronauts have been identified for the mission, with one already invited by the US to visit the International Space Station. By 2035, India aims to establish the Bharat Antariksh Station, reinforcing the nation's journey to its goal of sending its first astronaut to the Moon by 2040.

### Company Overview

Paras Defence and Space Technologies, founded in 1979, is a publicly traded Indian Company listed on the BSE and the National Stock Exchange. Headquartered near Mumbai, with manufacturing facilities in Navi Mumbai and Ambernath, Paras specialises in

high-precision products and turnkey systems for the defence and space sectors.

The Company's operations are organised into two main verticals:

- Optics and Optronic Systems
- Defence Engineering (Defence Electronics, Electromagnetic Pulse (EMP) Protection Solutions and Heavy Engineering)

Over the course of more than four decades, Paras has developed technologies for rockets and missiles, space research, naval platforms, armoured vehicles, electronic warfare, surveillance and electromagnetic shielding. Through its subsidiaries, the Company also works on drones, Radio Frequency (RF) and microwave systems, anti-drone solutions, EO/IR systems for avionics and quantum technologies.

Paras' state-of-the-art facilities support end-to-end delivery, from concept and design through manufacturing to integration and commissioning of both small and large systems. A strong emphasis on research and development highlights its role as an Indigenous Design, Development and Manufacturing (IDDM) partner for India's defence industry.

## Opportunities

### Opportunities



- The defence and space sector of India is currently undergoing significant transformation, facilitated by far-sighted government initiatives such as Aatmanirbhar Bharat (Self-Reliant India) and Make in India. The initiatives seek to encourage domestic production, research and private-sector participation and aim to create a suitable business culture for companies such as Paras Defence and Space Technologies.
- Production-Linked Incentive (PLI) scheme, with electronics and advanced manufacturing being the core, also promotes defence electronics, optics, electromagnetic pulse (EMP) protection and heavy engineering specialists. Growing international demand for cutting-edge defence technologies amid escalating geopolitical tensions, supports India's rising defence exports and positions the Company to capitalise on overseas collaborations and export markets.
- Initiatives like the Indian National Space Promotion and Authorization Centre (IN-SPACe) invite the private sector to join ventures in space. This enables Paras to be part of satellite systems, quantum communications and other new sectors.

<sup>22</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2027137>

<sup>23</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2109465>

<sup>24</sup><https://www.weforum.org/stories/2025/01/strategic-vision-innovation-boosting-india-space-economy/>

**Financial Performance**

| Particulars  | (₹ in Lakhs)  |               |              |
|--|---------------|---------------|--------------|
|  | FY 2024-25    | FY 2023-24    | YoY Growth % |
| Revenue from operations  | 33,385        | 23,243        | 43.63        |
| Other income   | 1,186         | 934           | 26.98        |
| <b>Total Expenses</b>  | <b>25,891</b> | <b>19,716</b> | <b>31.32</b> |
| Costs of materials consumed  | 12,505        | 11,318        | 10.49        |
| Purchase of stock in trade   | 2,159         | 2,033         | 6.20         |
| Change in inventory of finished goods, work-in-progress and stock in trade | 483           | (2,557)       | (118.89)     |
| Employee benefits expense  | 3,338         | 2,728         | 22.36        |
| Finance costs  | 552           | 385           | 43.38        |
| Depreciation and Amortisation expense                                      | 1,354         | 1,216         | 11.35        |
| Other expenses   | 5,500         | 4,593         | 19.75        |
| Profit before tax  | 8,680         | 4,461         | 94.58        |
| Tax expenses   | 2,174         | 1,039         | 109.24       |
| Profit for the year  | 6,506         | 3,422         | 90.12        |
| <b>Total Comprehensive income</b>  | <b>6,467</b>  | <b>3,386</b>  | <b>90.99</b> |

**Revenue from operations**

Revenue from operations increased by 43.6% to ₹33,385 Lakhs in FY 2024-25 from ₹23,243 Lakhs in FY 2023-24.

**Other Income**

Other income increased by 26.98% to ₹1,186 Lakhs in FY 2024-25 from ₹934 Lakhs in FY 2023-24.

**Total Expenses**

Total expenses increased by 31.32% to ₹25,891 Lakhs in FY 2024-25 from ₹19,716 Lakhs in FY 2023-24.

**Cost of materials consumed**

Cost of materials consumed increased by 10.49% to ₹12,505 Lakhs in FY 2024-25 from ₹11,318 Lakhs in FY 2023-24.

**Purchases of stock in trade**

Purchases of stock in trade increased by 6.20% to ₹ 2,159 Lakhs in FY 2024-25 from ₹ 2,033 Lakhs in FY 2023-24.

**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 amounted to ₹ 483 Lakhs in FY 2024-25 as against ₹ (2,557) Lakhs in FY 2023-24, reflecting a turnaround of ₹ 3,040 Lakhs. This indicates that inventory levels declined during the year, contributing to a higher cost of goods sold compared to the previous year.

**Employee benefits expense**

Employee benefits expense increased by 22.36% to ₹ 3,338 Lakhs in FY 2024-25 from ₹ 2,728 Lakhs in FY 2023-24.

**Finance costs**

Finance costs changed by 43.38 % to ₹ 552 Lakhs in FY 2024-25 from ₹ 385 Lakhs in FY 2023-24.

**Depreciation and Amortisation Expense**

Depreciation and amortisation expense increased by 11.35% to ₹ 1,354 Lakhs in FY 2024-25 from ₹ 1,216 Lakhs in FY 2023-24.

**Other expenses**

Other expenses increased by 19.75% to ₹ 5,500 Lakhs in FY 2024-25 from ₹ 4,593 Lakhs in FY 2023-24.

**Profit before Tax**

Profit before tax increased by 94.58 % to ₹ 8,680 Lakhs in FY 2024-25 from ₹ 4,461 Lakhs in FY 2023-24.

**Tax Expenses**

Tax expenses increased by 109.24% to ₹ 2,174 Lakhs in FY 2024-25 from ₹ 1,039 Lakhs in FY 2023-24.

**Profit for the Year**

Profit for the year increased by 90.12% to ₹ 6,506 Lakhs in FY 2024-25 from ₹ 3,422 Lakhs in FY 2023-24.

**Total Comprehensive Income**

Total comprehensive income increased by 90.99% to ₹ 6,467 Lakhs in FY 2024-25 from ₹ 3,386 Lakhs in FY 2023-24.

**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**

Paras Defence and Space Technologies has a strategic vision for its R&D to lead innovation. The Company runs exclusive R&D facilities in Nerul (Navi Mumbai) and Bengaluru, with specialised engineering teams for technologies related to Optics, Optical Systems, Defence Electronic Systems, Mechanical Systems, Electromagnetics, RF & Microwave etc. The Nerul campus of Paras Defence and Space Technologies has official recognition as a R&D Unit from India's Department of Scientific and Industrial Research (DSIR), reflecting its commitment towards upholding stringent industry standards.

Paras develops tailored solutions like Optronic Systems for various platforms, Border Surveillance and Defence Systems and electromagnetic shielding amongst others with focus on indigenous design and development. More than 90% of its parts are locally designed and produced, aligning with India's self-reliance objectives under initiatives like Aatmanirbhar Bharat. Further, synergistic associations with international technology companies enhance its R&D strengths and enable manufacturing cutting edge technologies in India. The Company's R&D strategy ensures process refinement, cost-effectiveness and development of a strong pipeline of products which are essential to counter the evolving defence demands.

Consistent R&D spending on advanced equipment and employee upskilling augment the Company's capability to supply high-margin, technology-driven systems. These initiatives provide early-mover benefits in specialised areas such as anti-drone systems and quantum technologies, while maintaining the ability to adapt to changing customer priorities.

### Risk Management

The Company's integrated risk management system is based on a Board-approved plan. The plan provides the processes, which are utilised to identify, analyse and manage risks. The plan further guides procedures to operate, record and monitor risks effectively. The aim of the risk management plan is to undertake a holistic approach so that all important risks are identified, understood and managed suitably. This framework allows the implementation of relevant methodologies and tools for risk identification, assessment, management and reporting.

The Audit Committee and the Board are periodically apprised of potential risks and corrective actions required. The Company manages internal and external risks with sound judgement and appropriate measures.

### Human Resource

The Company has a well-defined framework of HR policies aimed at upholding an equal, transparent and equitable workplace culture. It creates a secure, safe and supportive work environment. The HR policies strive to join organisational and employee goals, thereby empowering employees. The Company provides routine skill development training and courses to enhance the competencies of employees. The Company believes that employee friendly management practices, work environment, career developmental opportunities and overall benefits are essential to upholding good employee relations and retention.

The Company invests in acquisition, growth and retention of talent through a range of initiatives, such as learning and development, compensation and benefits, employee engagement and performance management. Employees are recognised and rewarded depending

on their yearly performance. Also, the Company granted 78,450 stock options to employees in FY 24-25, in order to attract, retain and motivate the employees thereby giving them an opportunity to participate in the growth of the Company and create long-term wealth in their own hands.

### Internal Control Systems

The Company has a strong system of internal controls commensurate with the nature, size and complexity of its business. Detailed policies, guidelines and procedures have been put in place for every business process. The internal control system is designed to provide reasonable assurance for the reliability of financial and other records for effective financial reporting and asset accountability. It also provides for strict compliance with all applicable statutory and regulatory compliance.

There is a robust monitoring mechanism in place to monitor progress on customer agreement terms, pinpointing issues and taking appropriate corrective and preventive measures to achieve assured service levels. A team monitors costs relating to different projects from time to time, giving feedback for course correction if required. The audit committee reviews internal financial controls and systems of risk management with the help of internal auditors. Any deviations from normal practices are reported to the Board and timely remedial actions are taken.

### Information Technology

The Company comprehends the significance of technology in business expansion and achievement of its goals to expand customer experience, improve security and ensure convenience of operations.

The Company recognises the crucial significance of data security. It is equipped with a robust IT infrastructure and enterprise resource planning systems implemented at its manufacturing units. The IT infrastructure includes third-party solutions and applications managed internally. The Company employs strong IT disaster management systems such as data backup and retrieval mechanisms to ensure adequate data protection.

### 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   |
|-----------|---|---|
| <b>1.</b> | <b>Conservation of energy</b>   |   |
| 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  |   |
| iv.       | Other key initiative for energy conservation  |   |
| B.        | The steps taken by the Company for utilizing alternate source of energy   | 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. |
| C.        | The capital investment on energy conservation equipment   |   |
|           |   | There has been an overall improvement in product quality and labour productivity, resulting in economy of cost, and improved operational efficiencies.  |
|           |   | Your Company has focused on productivity so that unit consumption per unit is reduced.  |
|           |   | EV charging station was inaugurated within the premises to promote sustainable transportation and also contribute to reduction in carbon footprint. The EV charging station on an average is used for approx. 7 hours daily.  |
| <b>2.</b> | <b>Technology Absorption</b>  |   |
| 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               |   |
| C.        | In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year) | The Company has not imported technology during the year under review.   |
| D.        | The expenditure incurred on Research and Development  |   |

During the period under review the following is the foreign exchange inflow and outflow:

(Amount in ₹)

| Particulars  | 2024-25          | 2023-24         |
|--|------------------|-----------------|
| Foreign Exchange Earnings in terms of actual inflows | 39,62,17,690.50  | 29,21,51,153.57 |
| Foreign Exchange Outgo in terms of actual outflows   | 115,52,72,452.26 | 82,84,11,940.13 |

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: 010808603

Date: July 25, 2025  
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, 2025

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, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 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 there under;
4. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
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 Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - e. The Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
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; and
  - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

We report that we have relied on the representation made by the Company and its Officers 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. Arms Act, 1959;
- b. Factories Act, 1948;
- c. 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.;

- d. Industries (Development & Regulation) Act, 1951;
- e. Acts relating to consumer protection;
- f. Acts and Rules prescribed under prevention and control of pollution;
- g. Acts and Rules relating to environmental protection and energy conservation;
- h. Acts and Rules relating to hazardous substances and chemicals;
- i. Acts and Rules relating to electricity, fire, petroleum, motor vehicles, explosives, boilers etc.;
- j. Acts relating to protection of IPR;
- k. Acts and Rules relating to the industry to which this Company belongs;
- l. 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);

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

1. It was observed that the intimations regarding investor meetings scheduled on June 4, 2024 and June 13, 2024, were submitted to the stock exchanges on June 3, 2024 and June 12, 2024, respectively—resulting in a deviation from the requirement of providing a minimum of two working days' prior notice under the SEBI (LODR) Regulations. In this regard we were informed by the management that in both cases, the confirmations for the meetings were received on short notice—June 1, 2024 (Saturday) for the June 4 meeting, and a day prior in the case of the June 13 meeting. The Secretarial and Compliance Department submitted the intimation to the stock exchanges promptly upon receipt of the confirmation. The delay was attributable to external scheduling constraints and was beyond the control of the Secretarial Department.
2. It was observed that, following the completion of the Qualified Institutional Placement (QIP) which resulted in an issuance exceeding 2% of the paid-up capital, the revised shareholding pattern reflecting the post-issue changes was not separately uploaded to the stock exchanges within the stipulated 10-day period, as required under Regulation 31(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We were informed that the updated shareholding pattern, capturing both pre- and post-QIP positions, was submitted on October 8, 2024 (one day after completion of QIP), along with the mandatory documentation while

seeking listing approval from the stock exchanges. As on date, no observations or queries have been raised by the exchanges regarding this submission.

**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 and 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 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:

## **1. Disinvestments:**

### **a. Paras Green UAV Private Limited:**

The Board of Directors of the Company, at its meeting held on February 8, 2025, approved the disinvestment of its entire 100% equity stake in its wholly owned subsidiary, Paras Green UAV Private Limited (formerly known as Paras Green Optics Private Limited), comprising 10,000 equity shares of ₹10/- each, aggregating to ₹1 lakh, in favour of M/s. Euro Asia Exports Limited.

Pursuant to the completion of the transaction, Paras Green UAV Private Limited ceased to be a wholly owned subsidiary of the Company.

### **b. Ayatti Innovative Private Limited**

The Board of Directors of the Company, at its meeting held on March 28, 2025, considered and approved the proposal for the divestment of 58.02% equity stake held in its subsidiary, Ayatti Innovative Private Limited ("Ayatti"), comprising 15,20,000 equity shares of face value ₹10/- each.

Post the completion of the transaction, Ayatti will cease to be a subsidiary of the Company.

## **2. Investment:**

Pursuant to the approved limits under Section 186 of the Companies Act, 2013, the Board of Directors of the Company, at its meeting held on February 8, 2025, approved an investment of 8% in the equity share capital of Logic Fruit Technologies Private Limited, aggregating to ₹10,00,00,800/- (Rupees Ten

Crore and Eight Hundred Only), by way of subscription to 1,800 Compulsorily Convertible Preference Shares of face value ₹10/- each.

### **3. Grant of Arms Manufacturing License:**

On January 06, 2025, the Company was granted a license under the Arms Act, 1959, authorizing it to manufacture MK-46 and MK-48 Belt-fed Light Machine Guns.

### **4. Issuance of Equity Shares through Qualified Institutional Placement (QIP):**

- a. Pursuant to the approval of the Board of Directors of the Company at its meeting held on August 27, 2024 and approval of the shareholders of the Company by way of a special resolution passed on September 20, 2024, the Management Committee of the Company, in its meeting held on October 01, 2024, inter alia considered and approved the opening of issue of Equity Shares to eligible qualified institutional buyers (QIBs) through a qualified institutions placement (QIP) in accordance with the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- b. Thereafter, the Management Committee (the committee) at its meeting held on October 7, 2024 inter alia determined and approved the issue price for 12,93,604 Equity Shares to be allotted to eligible QIBs at a price of ₹ 1045/- per Equity Share, including a premium of ₹ 1035/- per Equity Share for the proposed allotment.
- c. Subsequently, the Committee on October 08, 2024 allotted 12,93,604 Equity Shares, to eligible QIBs at approved issue price, aggregating to ₹ 13,518.16 lakhs, pursuant to the QIP.
- d. Consequent to the allotment of Equity Shares under the QIP, the paid-up equity share capital of the Company increased from ₹ 39,00,00,610 consisting of 3,90,00,061 Equity Shares to ₹ 40,29,36,650 consisting of 4,02,93,665 Equity Shares.

### **5. The Members of the Company at their Annual General Meeting held on September 20, 2024, inter alia approved the following:**

#### **a. Authorisation under Section 185 of the Companies Act, 2013:**

The members by way of passing special resolution authorized the 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).

#### **b. Enhanced Limit under Section 186:**

The Members by way of passing special resolution fixed the Limit under Section 186 of the Companies Act, 2013, at up to ₹500,00,00,000/- (Rupees Five Hundred Crores only).

#### **c. Material related party transaction:**

The Members by way of passing ordinary resolution approved Material related party transaction(s) with Controp-Paras Technologies Private Limited ("Associate Company") for an aggregate amount upto ₹2,93,00,00,000 (Rupees Two Hundred and Ninety-Three Crores Only), in the ordinary course of business and on an arm's length basis, effective until the next AGM.

#### **d. Employee Stock Option Plan 2024:**

- i. The Members by way of passing special resolution approved the "Paras Defence and Space Technologies Limited – Employee Stock Option Plan 2024" ("Paras Defence ESOP 2024") and authorised the Board of Directors to create, issue, offer and allot, in one or more tranches, from time to time, in aggregate upto 7,95,000 equity shares fully paid up having face value of ₹10/- each to or for the benefit of the eligible employee as may be determined by the Board of Directors.
- ii. The members by way of passing special resolution also approved the Extension of Paras Defence ESOP 2024 to the Employees of the company, its subsidiary company(ies) and/or associate company(ies), group company(ies) [present and future].

#### **For DM & Associates Company Secretaries LLP**

Company Secretaries  
ICSI Unique Code L2017MH003500

#### **Tribhuwneshwar B. Kaushik**

Partner  
FCS No.: 10607  
CP No.: 16207  
UDIN: F010607G000809933

Place: Mumbai  
Date: July 18, 2025

**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

**Tribhuwneshwar B. Kaushik**

Partner

FCS No.: 10607

CP No.: 16207

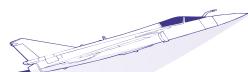
UDIN: F010607G000809933

Place: Mumbai

Date: July 18, 2025

# Business Responsibility and Sustainability Reporting

FY 2024-25



## 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  |
| 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  | <a href="mailto:cs@parasdefence.com">cs@parasdefence.com</a>  |
| 7. Telephone   | 022-6919-9999   |
| 8. Website   | <a href="http://www.parasdefence.com">www.parasdefence.com</a>  |
| 9. Financial year for which reporting is being done  | 2024-25   |
| 10. Name of the Stock Exchange(s) where shares are listed  | BSE Limited<br>National Stock Exchange of India Limited   |
| 11. Paid-up Capital  | ₹ 40,29,36,650  |
| 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<br>Email: <a href="mailto:cs@parasdefence.com">cs@parasdefence.com</a><br>Telephone: 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

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      | 53                          |
| 2      | Design, development, manufacturing, testing & commissioning of products, systems and solutions for Defence & Space Applications | Defence Engineering              | 47                          |

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    | 53                              |
| 2      | Defence Engineering         | 25999    | 47                              |

### III. Operations

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                | 5                 | 7     |
| International | 0                | 0                 | 0     |

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 14.59% 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 industry.

#### IV. Employees

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)        |
| <b>Employees</b> |                                |            |            |               |           |               |
| 1                | Permanent (D)                  | 309        | 229        | 74.11%        | 80        | 25.72%        |
| 2                | Other than Permanent (E)       |            |            |               |           |               |
| 3                | <b>Total employees (D + E)</b> | <b>309</b> | <b>229</b> | <b>74.11%</b> | <b>80</b> | <b>25.72%</b> |
| <b>Workers</b>   |                                |            |            |               |           |               |
| 1                | Permanent (F)                  | 228        | 210        | 92.37%        | 18        | 7.89%         |
| 2                | Other than Permanent (G)       |            |            |               |           |               |
| 3                | <b>Total Workers (F + G)</b>   | <b>228</b> | <b>210</b> | <b>92.37%</b> | <b>18</b> | <b>7.89%</b>  |

b. Differently abled Employees and workers:

| No                                 | Particulars                                      | Total(A) | Male     |          | Female   |          |
|------------------------------------|--|----------|----------|----------|----------|----------|
|                                    |  |          | No(B)    | %(B/A)   | No(C)    | %(C/A)   |
| <b>Differently Abled Employees</b> |  |          |          |          |          |          |
| 1                                  | Permanent (D)                                    | 0        | 0        | 0        | 0        | 0        |
| 2                                  | Other than Permanent (E)                         | 0        | 0        | 0        | 0        | 0        |
| 3                                  | <b>Total differently abled employees (D + E)</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
| <b>Differently Abled Workers</b>   |  |          |          |          |          |          |
| 1                                  | Permanent (F)                                    | 0        | 0        | 0        | 0        | 0        |
| 2                                  | Other than Permanent (G)                         | 0        | 0        | 0        | 0        | 0        |
| 3                                  | <b>Total Workers (F + G)</b>                     | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

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% |

22. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years)

|                   | FY 2024-25<br>(Turnover rate in current FY) |        |       | FY 2023-24<br>(Turnover rate in previous FY) |        |       | FY 2022-23<br>(Turnover rate in the year prior to the previous FY) |        |       |
|-------------------|---|--------|-------|--|--------|-------|--|--------|-------|
|                   | Male  | Female | Total | Male   | Female | Total | Male   | Female | Total |
|                   | Permanent Employees                         | 8%     | 1%    | 10%  | 10%    | 4%    | 8%   | 15%    | 10%   |
| Permanent Workers | 4%  | 0.18%  | 4%    | 0  | 0      | 0     | 12%  | 0      | 12%   |

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

23. (a) 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      | Opel Technologies Pte. Ltd.   | Wholly Owned Subsidiary  | 100                               | No   |
| 2      | Quantico Technologies Private Limited                                       | Wholly Owned Subsidiary  | 100                               | No   |
| 3      | Mechtech Thermal Private Limited  | Subsidiary   | 70                                | No   |
| 4      | Paras Aerospace Private Limited   | Subsidiary   | 60                                | No   |
| 5      | Ayatti Innovative Private Limited   | Subsidiary   | 58.02                             | No   |
| 6      | Paras Anti-Drone Technologies Private Limited                               | Subsidiary   | 55                                | No   |
| 7      | Krasny Paras Defence Technologies Private Limited                           | Associate  | 47.5                              | No   |
| 8      | Controp-Paras Technologies Private Limited                                  | Associate  | 30                                | No   |

**VI. CSR Details**

24. (i). Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

(ii). Turnover (in ₹). - ₹ 33,385 Lakhs

(iii). Net worth (in ₹) - ₹ 64,347 Lakhs

**VII. Transparency and Disclosures Compliances**

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 2024-25                                 |  |   | FY 2023-24                                 |  |   |
|---|--|--|--|---|--|--|---|
|   |  | 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: <a href="http://www.parasdefence.com">www.parasdefence.com</a>              | 0  | 0  | -   | 0  | 0  | -   |
| Investors (other than shareholders)               |  | 0  | 0  | -   | 0  | 0  | -   |
| Shareholders                                      |  | 1  | 0  | The complaint was resolved within the stipulated time | 3  | 0  | 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  | -   |

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.

| <b>S. No.</b> | <b>Material issue identified</b>            | <b>Indicate whether risk or opportunity (R/O)</b> | <b>Rationale for identifying the risk / opportunity</b>   | <b>In case of risk, approach to adapt or mitigate</b>   | <b>Financial implications of the risk or opportunity (Indicate positive or negative implications)</b> |
|---------------|---|---|---|---|---|
| 1             | Climate Change                              | Risk  | Climate change poses risks to Paras Defence, impacting operations, supply chains, and financial stability. Furthermore, escalating operational costs and evolving geopolitical conditions may compel the company to invest heavily in innovation and adaptive strategies  | 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  |
| 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 practice in place that makes sure that proper waste removal as per the category defined by the MPCB and State Pollution Control Board(s) is carried out.   | Positive and Negative   |

| 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) |
|--------|--|--|--|--|--|
| 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   |
| 7.     | Make in India/ Defence Indigenization Push | Opportunity                                | Initiatives like 'Make in India', 'Atmanirbhar Bharat' and rising defence budgets are accelerating demand for indigenous defence manufacturing, where companies like Paras Defence import critical raw materials but add substantial value through domestic design, assembly, and system integration to deliver finished defence products.   | -  | Positive   |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

### Policy and management processes

| Disclosure Questions   | P 1   | P 2   | P 3   | P 4 | P 5   | P 6   | P 7   | P 8 | P 9 |
|--|---|---|---|-----|---|---|---|-----|-----|
| 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  | <a href="https://www.parasdefence.com/uploads/investors/files/Code_of_Conduct_for_Board_of_Directors_and_SMPs.pdf">https://www.parasdefence.com/uploads/investors/files/Code_of_Conduct_for_Board_of_Directors_and_SMPs.pdf</a> | <a href="https://www.parasdefence.com/uploads/investors/files/Policy_on_Life_Cycle_Sustainability.pdf">https://www.parasdefence.com/uploads/investors/files/Policy_on_Life_Cycle_Sustainability.pdf</a> | <a href="https://www.parasdefence.com/uploads/investors/files/Policy_on_Employees_Wellness.pdf">https://www.parasdefence.com/uploads/investors/files/Policy_on_Employees_Wellness.pdf</a> | -   | <a href="https://www.parasdefence.com/uploads/investors/files/Policy_on_Human_Right.pdf">https://www.parasdefence.com/uploads/investors/files/Policy_on_Human_Right.pdf</a> | <a href="https://www.parasdefence.com/uploads/investors/files/Policy_on_Life_Cycle_Accountable_Advocacy.pdf">https://www.parasdefence.com/uploads/investors/files/Policy_on_Life_Cycle_Accountable_Advocacy.pdf</a> | <a href="https://www.parasdefence.com/uploads/investors/files/Corporate_Social_Responsibility_Policy.pdf">https://www.parasdefence.com/uploads/investors/files/Corporate_Social_Responsibility_Policy.pdf</a> | -   | -   |
| 2. Whether the entity has translated the policy into procedures. (Yes / No)                                    | Yes   | Yes   | Yes   | Yes | Yes   | Yes   | Yes   | Yes | Yes |

| <b>Disclosure Questions</b>  | <b>P 1</b>  | <b>P 2</b> | <b>P 3</b> | <b>P 4</b> | <b>P 5</b> | <b>P 6</b> | <b>P 7</b> | <b>P 8</b> | <b>P 9</b> |
|--|---|------------|------------|------------|------------|------------|------------|------------|------------|
| 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, Trusteia) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | <ul style="list-style-type: none"> <li>● ISO 45001:2018</li> <li>● ISO 9001:2015</li> <li>● ISO 9100: 2016</li> <li>● ISO 14001: 2015</li> <li>● AS 9100D</li> <li>● DRDO Registration Certificate</li> <li>● CVRDE Registration Certificate</li> </ul> |            |            |            |            |            |            |            |            |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any.   |   |            |            |            |            |            |            |            |            |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.  |   |            |            |            |            |            |            |            |            |

## 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>At Paras, we are deeply committed to conducting our business in a way that upholds the highest ethical standards and promotes sustainability. We believe that our success should not only be measured by financial performance but also by the positive contributions we make to society and the environment. Our focus on social responsibility includes a strong commitment to fostering diversity, equality, and inclusion within our workforce, creating an environment where everyone can thrive.</p> <p>Through our Corporate Social Responsibility (CSR) initiatives, we actively support community development and work towards making a meaningful impact on the lives of those in need. Our commitment to Environmental, Social, and Governance (ESG) principles guides our approach to business. We continuously explore and implement innovative methods to reduce our environmental footprint. By adopting cutting-edge technologies and techniques, we have made significant strides in minimizing our consumption of resources—such as energy, water, and raw materials. This includes specific efforts to optimize electricity and water usage, which reflects our proactive stance on environmental sustainability.</p> <p>Looking ahead, we remain dedicated to enhancing transparency in our reporting, fostering active engagement with stakeholders, and driving continuous improvement across our Sustainability and CSR efforts. We extend our sincere gratitude to our employees, customers, partners, and stakeholders for their unwavering support and contributions to our shared journey. Together, we are creating a future that not only respects the planet but also empowers communities and ensures long-term prosperity for all.</p> <p>Munjal Sharad Shah<br/>Managing Director<br/>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

| Subject for Review  | 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 | P9 |
| 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) |    |    |    |    |    |    |    |    |                |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No)                         |    |    |    |    |    |    |    |    | Not Applicable |
| 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

- Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| <b>Segment</b>                    | <b>Total number of training and awareness programmes held</b> | <b>Topics/principles covered under the training and its impact</b>  | <b>Percentage of persons in respective category covered by the awareness programmes</b> |
|-----------------------------------|---|---|---|
| Board of directors                | 5   | 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 | 3   | The company asserts on employee training and development. The employees undergo various training/ awareness session such as induction training at the time of joining, safety training, technical and compliance training during employment. During FY 2024-25 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                           | 4   | 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  |

- 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)

| <b>Category</b> | <b>NGRBC Principle</b> | <b>Monetary</b>  |                        |                          | <b>Has an appeal been preferred? (Yes/No)</b> |
|-----------------|------------------------|--|------------------------|--------------------------|---|
|                 |                        | <b>Name of the regulatory/ enforcement agencies/ judicial institutions</b> | <b>Amount (In INR)</b> | <b>Brief of the Case</b> |   |
| 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   | -               | -   | -                 | -                                      |

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 | Name of the regulatory/ enforcement agencies/ judicial institutions |
|--------|--------------|---|
| 1      | NA           |   |

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](https://www.parasdefence.com/uploads/investors/files/Policy_on_Anti-Corruption_and_Anti-Bribery.pdf)
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  | FY 2024-25 | FY 2023-24 |
|-----------|------------|------------|
| Directors | 0          | 0          |
| KMPs      | 0          | 0          |
| Employees | 0          | 0          |
| Workers   | 0          | 0          |

6. Details of complaints with regard to conflict of interest:

| Category   | FY 2024-25 |         | FY 2023-24 |         |
|--|------------|---------|------------|---------|
|  | Number     | Remarks | Number     | Remarks |
| 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          | -       |

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.

8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:

| Particulars                         | FY 2024-25 | FY 2023-24 |
|-------------------------------------|------------|------------|
| Number of days of accounts payables | 137 days   | 113 days   |

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. Concentration of Purchases-

| Parameter                  | Metrics   | FY2024-25 | FY2023-24 |
|----------------------------|---|-----------|-----------|
| 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         |

| Parameter        | Metrics  | FY2024-25                         | FY2023-24                           |
|------------------|--|-----------------------------------|-------------------------------------|
| Share of RPTs in | a. Purchases (Purchases with related parties / Total Purchases)<br>b. Sales (Sales to related parties / Total Sales)<br>c. Loans & advances (Loans & advances given to related parties / Total loans & advances)<br>d. Investments (Investments in related parties / Total Investments made) | 1.73%<br>8.96%<br>44.99%<br>4.74% | 0.02%<br>10.55%<br>94.99%<br>28.93% |

## Leadership Indicators

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  |

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](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

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                    |  |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

- 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.

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.

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

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  |

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                    |              |

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 2024-25   | FY 2023-24 |
|                         | Not Applicable                                       |            |

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:

|                                | FY2024-25 |          |                 | FY2023-24 |          |                 |
|--------------------------------|-----------|----------|-----------------|-----------|----------|-----------------|
|                                | Re-Used   | Recycled | Safely Disposed | Re-Used   | Recycled | Safely Disposed |
| Plastics (including packaging) |           |          |                 |           |          |                 |

|                 |  |  |  |                |  |  |
|-----------------|--|--|--|----------------|--|--|
| E-waste         |  |  |  |                |  |  |
| Hazardous waste |  |  |  |                |  |  |
| Other waste     |  |  |  |                |  |  |
|                 |  |  |  | Not Applicable |  |  |

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 |
|--------|---------------------------|---|
|        |                           | Not Applicable  |

**PRINCIPLE 3:**

**Businesses should respect and promote the well-being of all employees, including those in their value chains**

## Essential Indicators

1. a. Details of measures for the well-being of employees.

| Category                              | % of employees covered by |                  |              |                    |              |                    |              |                        |              |                     |           |
|---------------------------------------|---------------------------|------------------|--------------|--------------------|--------------|--------------------|--------------|------------------------|--------------|---------------------|-----------|
|                                       | Total<br>(A)              | Health insurance |              | Accident Insurance |              | Maternity benefits |              | Paternity benefits (A) |              | Day Care facilities |           |
|                                       |                           | Number<br>(B)    | % (B/A)      | Number<br>(C)      | % (C/A)      | Number<br>(D)      | % (D/A)      | Number<br>(E)          | % (E/A)      | Number<br>(F)       | % (F/A)   |
| <b>Permanent Employees</b>            |                           |                  |              |                    |              |                    |              |                        |              |                     |           |
| Male                                  | 229                       | 15               | 6.5%         | 15                 | 6.5%         | 0                  | 0            | 5                      | 2.18%        | 0                   | 0%        |
| Female                                | 80                        | 5                | 6.25%        | 5                  | 6.25%        | 5                  | 6.25%        | 0                      | 0            | 0                   | 0%        |
| <b>Total</b>                          | <b>309</b>                | <b>20</b>        | <b>6.47%</b> | <b>20%</b>         | <b>6.47%</b> | <b>5</b>           | <b>1.62%</b> | <b>5</b>               | <b>1.62%</b> | <b>0</b>            | <b>0%</b> |
| <b>Other than permanent Employees</b> |                           |                  |              |                    |              |                    |              |                        |              |                     |           |
| Male                                  | 0                         | 0                | 0%           | 0                  | 0%           | 0                  | 0%           | 0                      | 0%           | 0                   | 0%        |
| Female                                | 0                         | 0                | 0%           | 0                  | 0%           | 0                  | 0%           | 0                      | 0%           | 0                   | 0%        |
| <b>Total</b>                          | <b>0</b>                  | <b>0</b>         | <b>0%</b>    | <b>0</b>           | <b>0%</b>    | <b>0</b>           | <b>0%</b>    | <b>0</b>               | <b>0%</b>    | <b>0</b>            | <b>0%</b> |

**Remarks:** Numbers based on ESIC figures

- b. Details of measures for the well-being of workers.

| Category                            | % of employees covered by |                  |               |                    |               |                    |           |                    |              |                     |           |
|-------------------------------------|---------------------------|------------------|---------------|--------------------|---------------|--------------------|-----------|--------------------|--------------|---------------------|-----------|
|                                     | Total<br>(A)              | Health insurance |               | Accident Insurance |               | Maternity benefits |           | Paternity benefits |              | Day Care facilities |           |
|                                     |                           | Number<br>(B)    | % (B/A)       | Number<br>(C)      | % (C/A)       | Number<br>(D)      | % (D/A)   | Number<br>(E)      | % (E/A)      | Number<br>(F)       | % (F/A)   |
| <b>Permanent Workers</b>            |                           |                  |               |                    |               |                    |           |                    |              |                     |           |
| Male                                | 210                       | 40               | 19%           | 40                 | 19.05%        | 0                  | 0%        | 4                  | 1.90%        | 0                   | 0%        |
| Female                              | 18                        | 9                | 50%           | 4                  | 22.22%        | 0                  | 0%        | 0                  | 0%           | 0                   | 0%        |
| <b>Total</b>                        | <b>228</b>                | <b>49</b>        | <b>21.49%</b> | <b>44</b>          | <b>19.29%</b> | <b>0</b>           | <b>0%</b> | <b>4</b>           | <b>1.75%</b> | <b>0</b>            | <b>0%</b> |
| <b>Other than permanent Workers</b> |                           |                  |               |                    |               |                    |           |                    |              |                     |           |
| Male                                | 0                         | 0                | 0%            | 0                  | 0%            | 0                  | 0%        | 0                  | 0%           | 0                   | 0%        |
| Female                              | 0                         | 0                | 0%            | 0                  | 0%            | 0                  | 0%        | 0                  | 0%           | 0                   | 0%        |
| <b>Total</b>                        | <b>0</b>                  | <b>0</b>         | <b>0%</b>     | <b>0</b>           | <b>0%</b>     | <b>0</b>           | <b>0%</b> | <b>0</b>           | <b>0%</b>    | <b>0</b>            | <b>0%</b> |

**Remarks:** Numbers based on ESIC figures

- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

| Particulars   | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year |
|---|-----------------------------------|------------------------------------|
| Cost incurred on well-being measures as a % of total revenue of the company | 0.3%                              | 0.4%                               |

2. Details of retirement benefits, for Current FY and Previous Financial Year.

| Benefits                | No. of employees covered as a % of total employees | FY 2024-25 No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | FY 2023-24 No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
|-------------------------|--|---|--|--|---|--|
|                         |  |   |  |  |   |  |
| PF                      | 22%  | 40%   | Y  | 31.5   | 39.4  | Y  |
| Gratuity                | 100  | 100   | Y  | 100  | 100   | Y  |
| ESI                     | 15%  | 30%   | Y  | 14.4   | 28.16   | Y  |
| Others – please specify | -  | -   | -  | -  | -   | -  |

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 .

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>

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%                | 100%           | 100%                | 100%           |
| Female | 60%                 | 100%           | 0                   | 0              |
| Total  | 80%                 | 80%            | 100%                | 100%           |

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              | 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.  |
| Other than Permanent Workers   |   |
| Permanent 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. |
| Other than Permanent Employees |   |

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Category                         | FY 2024-25   |   |           | FY 2023-24   |  |           |
|----------------------------------|--|---|-----------|--|--|-----------|
|                                  | 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) |
| <b>Total Permanent Employees</b> | 309  | 0   | 0.00%     | 276  | 0  | 0.00%     |
| - Male                           | 229  | 0   | 0.00%     | 205  | 0  | 0.00%     |
| - Female                         | 80   | 0   | 0.00%     | 71   | 0  | 0.00%     |
| <b>Total Permanent Workers</b>   | 228  | 0   | 0.00%     | 142  | 0  | 0.00%     |
| - Male                           | 210  | 0   | 0.00%     | 134  | 0  | 0.00%     |
| - Female                         | 18   | 0   | 0.00%     | 8  | 0  | 0.00%     |

**Remarks:** None of our employees or workers are members of any association(s) or unions.

8. Details of training given to employees and workers:

| Category         | FY2024-25  |                               |               |                      | FY2023-24     |            |                               |               |                      |               |
|------------------|------------|-------------------------------|---------------|----------------------|---------------|------------|-------------------------------|---------------|----------------------|---------------|
|                  | 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)     |
| <b>Employees</b> |            |                               |               |                      |               |            |                               |               |                      |               |
| Male             | 229        | 136                           | 59.38%        | 27                   | 11.7%         | 205        | 120                           | 58.54%        | 23                   | 11.22%        |
| Female           | 80         | 40                            | 50%           | 25                   | 31%           | 71         | 35                            | 49.30%        | 22                   | 30.99%        |
| <b>Total</b>     | <b>309</b> | <b>176</b>                    | <b>56.95%</b> | <b>52</b>            | <b>16.82%</b> | <b>276</b> | <b>155</b>                    | <b>56.16%</b> | <b>45</b>            | <b>16.30%</b> |

| Category       | FY2024-25    |                                  |               |                         | FY2023-24     |              |                                  |               |                         |               |
|----------------|--------------|----------------------------------|---------------|-------------------------|---------------|--------------|----------------------------------|---------------|-------------------------|---------------|
|                | Total<br>(A) | On Health and<br>safety measures |               | On Skill<br>upgradation |               | Total<br>(D) | On Health and<br>safety measures |               | On Skill<br>upgradation |               |
|                |              | No. (B)                          | % (B / A)     | No. (C)                 | % (C / A)     |              | No. (E)                          | % (E / D)     | No. (F)                 | % (F / D)     |
| <b>Workers</b> |              |                                  |               |                         |               |              |                                  |               |                         |               |
| Male           | 210          | 127                              | 60.47%        | 47                      | 22.38%        | 134          | 80                               | 59.70%        | 30                      | 22.39%        |
| Female         | 18           | 14                               | 77.77%        | 11                      | 61.11%        | 8            | 8                                | 100.00%       | 5                       | 62.50%        |
| <b>Total</b>   | <b>228</b>   | <b>140</b>                       | <b>61.40%</b> | <b>58</b>               | <b>25.43%</b> | <b>142</b>   | <b>88</b>                        | <b>61.97%</b> | <b>35</b>               | <b>24.65%</b> |

9. Details of performance and career development reviews of employees and worker:

| Category         | FY2024-25  |            |               | FY2023-24  |            |               |
|------------------|------------|------------|---------------|------------|------------|---------------|
|                  | Total (A)  | No. (B)    | % (B / A)     | Total (C)  | No. (D)    | % (D / C)     |
| <b>Employees</b> |            |            |               |            |            |               |
| Male             | 229        | 172        | 75.10%        | 205        | 153        | 74.63%        |
| Female           | 80         | 64         | 80%           | 71         | 57         | 80.28%        |
| <b>Total</b>     | <b>309</b> | <b>236</b> | <b>76.37%</b> | <b>276</b> | <b>210</b> | <b>76.09%</b> |
| <b>Workers</b>   |            |            |               |            |            |               |
| Male             | 210        | 165        | 78.57%        | 134        | 105        | 78.36%        |
| Female           | 18         | 16         | 88.88%        | 8          | 7          | 87.50%        |
| <b>Total</b>     | <b>228</b> | <b>181</b> | <b>79.38%</b> | <b>142</b> | <b>112</b> | <b>78.87%</b> |

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.

- 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 basis. 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.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes

- 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.

11. Details of safety related incidents, in the following format:

| Safety Incident/Number  | Category  | FY2024-25 | FY2023-24 |
|---|-----------|-----------|-----------|
| 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         |

12. Describe the measures taken by the entity to ensure a safe and healthy workplace. –

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. Accessible drinking water and proper sanitation facilities are provided to maintain hygiene and well-being. CCTV surveillance systems have been installed to enhance physical security and monitor the premises continuously. Comprehensive Standard Operating Procedures (SOPs) are in place to ensure consistent and safe operations. Regular health and safety training sessions, along with mock drills, are conducted to build awareness and emergency preparedness among staff. In addition, periodic safety audits are carried out to evaluate existing protocols and drive continuous improvement in safety standards.

13. Number of Complaints on the following made by employees and workers:

|                    | FY 2024-25            |                                       |         | FY 2023-24            |                                       |         |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                    | 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       |

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%  |

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

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.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Paras ensures that all relevant statutory payments concerning transactions undertaken by it, are deducted and deposited according to regulatory standards. This procedure undergoes scrutiny in both internal and external audits. The Company anticipates its partners in the value chain, to follow business responsibility principles and maintain transparency and accounting values.

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 rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

| Particulars | 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 |           |
|-------------|--|-----------|---|-----------|
|             | FY2024-25                                | FY2023-24 | FY2024-25   | FY2023-24 |
| Employees   | 0  | 0         | 0   | 0         |
| Workers     | 0  | 0         | 0   | 0         |

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.

5. Details on assessment of value chain partners:

| <b>Category</b>             | <b>% of value chain partners (by value of business done with such partners) that were assessed</b> |
|-----------------------------|--|
| Health and safety practices | Ongoing  |
| Working Conditions          | Ongoing  |

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

1. Describe the processes for identifying key stakeholder groups of the entity.

Engaging with stakeholders is fundamental to understanding the social, environmental, and economic context in which we operate and to building strong, collaborative relationships. We identify and prioritize key stakeholders—including employees, customers, investors, suppliers, partners, regulators, communities and others—based on factors such as impact, influence, legitimacy and diversity of perspectives. Through established communication channels and feedback mechanisms, we ensure stakeholders receive accurate information and have avenues to express their views. Regular review of stakeholder inputs helps us align our materiality assessment and strategic decisions with their evolving expectations, fostering mutual value creation and sustainable business growth.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| <b>S. No.</b> | <b>Stakeholder Group</b> | <b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/ No)</b> | <b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other</b> | <b>Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)</b> | <b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>  |
|---------------|--------------------------|--|--|---|---|
| 1             | Employees                | No   | Email (internal communication), Notices and Communication Mechanisms   | Continuous  | <ul style="list-style-type: none"> <li>1. Safe &amp; Inclusive Workplace</li> <li>2. Employee Well-being</li> <li>3. Training &amp; Development</li> <li>4. Recognition &amp; Rewards</li> <li>5. Policy Awareness</li> <li>6. Employee Engagement</li> <li>7. Grievance Redressal</li> </ul> |
| 2             | Shareholders/ Investors  | No   | Emails, Newspaper, Advertisement, website of the Company and Stock Exchanges and General Meetings                                    | Quarterly and Event specific as per Statutory Requirement                                   | <ul style="list-style-type: none"> <li>1. Current performance</li> <li>2. Initiatives and Projects</li> <li>3. Regular Investor Engagement</li> <li>4. Transparent Communication and Grievance Redressal</li> </ul>   |

| 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  |
|--------|----------------------------------|---|---|--|--|
| 3      | Suppliers and Distributors       | No  | Vendor assessment and review, Training workshop, Supplier audits, official communication channels: Website, Email and Phone calls | Ongoing  | <ol style="list-style-type: none"> <li>1. Ease of Doing Business</li> <li>2. Ethical Business Conduct &amp; Social Practices</li> <li>3. Risk Management</li> <li>4. Business Opportunities</li> <li>5. Supplier Transparency</li> <li>6. Value Chain Efficiency</li> <li>7. Payments Management</li> <li>8. Purchase Price Optimization.</li> </ol> |
| 4      | Community                        | No  | CSR initiatives   | Annual and on need basis   | <ol style="list-style-type: none"> <li>1. Execution of CSR Projects such as animal welfare, conserving water resources, and promoting health and education.</li> <li>2. Conducting important events such as Blood Donation Camps</li> </ol>  |
| 5      | Government and Regulatory Bodies | No  | Compliance Reports, Regulatory audits/ inspections  | Quarterly, Half Yearly, Annually and on need basis                                   | <ol style="list-style-type: none"> <li>1. Ensuring Compliances with applicable laws</li> <li>2. Inspections</li> <li>3. Approvals</li> <li>4. Assessments</li> </ol>   |
| 6      | Customers                        | No  | Customer meets, website, Phone calls, emails and meetings   | Frequently and as and when required  | <ol style="list-style-type: none"> <li>1. Consistent Customer Engagement</li> <li>2. Timely Query and Complaint Resolution</li> <li>3. Information on New Products and Services</li> <li>4. Addressing Technical and Operational Issues</li> <li>5. Commitment to Positive Customer Experience</li> </ol>  |

#### Leadership Indicators

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 maintains regular and structured engagement with key stakeholders, including investors, customers, employees, channel partners, and analysts, to align its strategic direction with stakeholder expectations. These interactions conducted through meetings, emails, calls, AGMs, and grievance redressal platforms, help gather valuable feedback on business performance and customer experience. Senior management and relevant Board Committees review this input to guide decision-making. Dedicated committees such as the CSR and the Stakeholders' Relationship Committee oversee the implementation of social responsibility initiatives and compliance with statutory requirements, reinforcing the Company's commitment to transparency, accountability, and long-term stakeholder value.

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.

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

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

|                        | FY2024-25  |  |             | FY2023-24  |  |                |
|------------------------|------------|--|-------------|------------|--|----------------|
|                        | Total (A)  | No. of employees / workers covered (B) | % (B / A)   | Total (C)  | No. of employees / workers covered (D) | % (D / C)      |
| <b>Employees</b>       |            |  |             |            |  |                |
| Permanent              | 309        | 309                                    | 309         | 276        | 276                                    | 100.00%        |
| Other than permanent   | 0          | 0                                      | 0           | 0          | 0                                      | 0.0%           |
| <b>Total Employees</b> | <b>309</b> | <b>309</b>                             | <b>309</b>  | <b>276</b> | <b>276</b>                             | <b>100.00%</b> |
| <b>Workers</b>         |            |  |             |            |  |                |
| Permanent              | 228        | 228                                    | 100%        | 142        | 142                                    | 100.00%        |
| Other than permanent   | 0          | 0                                      | 0           | 0          | 0                                      | 0.0%           |
| <b>Total Workers</b>   | <b>228</b> | <b>228</b>                             | <b>100%</b> | <b>142</b> | <b>142</b>                             | <b>100.00%</b> |

2. Details of minimum wages paid to employees, in the following format:

| Category                    | FY2024-25 |                       |         |                        | FY2023-24 |           |                       |         |                        |         |
|-----------------------------|-----------|-----------------------|---------|------------------------|-----------|-----------|-----------------------|---------|------------------------|---------|
|                             | 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) |
| <b>Employees</b>            |           |                       |         |                        |           |           |                       |         |                        |         |
| <b>Permanent</b>            | 309       | 8                     | 2.58%   | 301                    | 97.41%    | 276       | 19                    | 6.88%   | 257                    | 93.12%  |
| Male                        | 229       | 6                     | 2.62%   | 223                    | 97.37%    | 205       | 15                    | 7.32%   | 190                    | 92.68%  |
| Female                      | 80        | 2                     | 2.5%    | 78                     | 97.5%     | 71        | 4                     | 5.63%   | 67                     | 94.37%  |
| <b>Other than Permanent</b> | 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%    |
| Female                      | 0         | 0                     | 0       | 0                      | 0         | 0         | 0                     | 0.0%    | 0                      | 0.0%    |
| <b>Workers</b>              |           |                       |         |                        |           |           |                       |         |                        |         |
| <b>Permanent</b>            | 228       | 25                    | 10.96%  | 203                    | 89.03%    | 142       | 11                    | 7.75%   | 131                    | 92.25%  |
| Male                        | 210       | 25                    | 11.90%  | 185                    | 88.09%    | 134       | 11                    | 8.21%   | 123                    | 91.79%  |
| Female                      | 18        | 0                     | 0.00%   | 18                     | 100%      | 8         | 0                     | 0.00%   | 8                      | 100.00% |
| <b>Other than Permanent</b> | 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%    |
| Female                      | 0         | 0                     | 0       | 0                      | 0         | 0         | 0                     | 0.0%    | 0                      | 0.0%    |

3. a. Details of remuneration/salary/wages, in the following format: Median remuneration/wages:

|                                  | Male   |   | Female |   |
|----------------------------------|--------|---|--------|---|
|                                  | Number | Median remuneration/<br>salary/ wages of<br>respective category<br>(₹ in lakhs) | Number | Median remuneration/<br>salary/ wages of<br>respective category<br>(₹ in lakhs) |
| Board of Directors (BoD)         | 4      | 27.90   | 2      | 12.85   |
| Key Managerial Personnel         | 1      | 20.17   | 1      | 7.56  |
| Employees other than BoD and KMP | 260    | 579.48  | 96     | 160.93  |
| Workers                          | 243    | 286.28  | 17     | 13.32   |

- b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

| Particulars                                     | Current<br>Financial Year | Previous<br>Financial Year |
|---|---------------------------|----------------------------|
| Gross wages paid to females as % of total wages | 17.00                     | 19.33                      |

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 Directors 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](https://www.parasdefence.com/uploads/investors/files/Policy_on_Human_Right.pdf))

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. 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 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.

Paras has implemented a Vigil Mechanism, which includes a Whistle Blower Policy, providing a structured and secure framework for employees and stakeholders to report instances of unethical behaviour, suspected fraud, or human rights violations in a responsible and confidential manner.

Furthermore, employees have access to a system managed by the HR team, this platform allows for the resolution of queries related to compensation, pay slips, tax deductions, leave, policies, and other employment-related concerns, ensuring transparent and efficient support.

6. Number of Complaints on the following made by employees and workers:

|                                      | FY2024-25                |   |                          | FY2023-24                                   |                          |   |
|--------------------------------------|--------------------------|---|--------------------------|---|--------------------------|---|
|                                      | Filed during<br>the year | Pending<br>resolution at<br>the end of year | Filed during<br>the year | Pending<br>resolution at<br>the end of year | Filed during<br>the year | Pending<br>resolution at<br>the end of year |
| 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<br>Labour  | 0                        | 0   | 0                        | 0   | 0                        | 0   |
| Wages                                | 0                        | 0   | 0                        | 0   | 0                        | 0   |
| Other human rights related<br>issues | 0                        | 0   | 0                        | 0   | 0                        | 0   |

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| <b>Particulars</b>  | <b>Current Financial Year</b> | <b>Previous Financial Year</b> |
|---|-------------------------------|--------------------------------|
| 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                              |

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has established strong protocols to ensure that complainants do not face any adverse consequences when raising concerns related to human rights. These protocols are designed to foster a safe and supportive environment that encourages individuals to report grievances without fear of retaliation.

In line with the Board-approved Vigil Mechanism and Whistle blower Policy, complainants also have the option to directly approach the Chairman of the Audit Committee. This policy includes built-in safeguards to protect whistle-blowers from any form of victimization, thereby reinforcing the Company's commitment to transparency, accountability, and ethical conduct.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, all our business agreements and contracts require the counterparty to comply with applicable regulatory requirements, which also include human rights.

10. Assessments for the year:

| <b>Category</b>             | <b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b> |
|-----------------------------|--|
| Child labour                | 100%   |
| Forced/involuntary labour   | 100%   |
| Sexual harassment           | 100%   |
| Discrimination at workplace | 100%   |
| Wages                       | 100%   |
| Others – please specify     | 0  |

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

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.

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.

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.

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.

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

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter   | FY 2024-25 (Current Financial Year) | FY 2023-24 (Previous Financial Year) |
|---|-------------------------------------|--------------------------------------|
| <b>From renewable sources</b>   |                                     |                                      |
| 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                                 |
| <b>Total energy consumed from renewable sources (A+B+C)</b>   | <b>0.00</b>                         | <b>0.00</b>                          |
| <b>From non-renewable sources (In Gigajoules)</b>   |                                     |                                      |
| Total electricity consumption (D)   | 10,836.27                           | 11,073.62                            |
| Total fuel consumption (E)  | 131.78                              | 187.04                               |
| Energy consumption through other sources (F)  | 0.00                                | 0.00                                 |
| <b>Total energy consumed from non-renewable sources (D+E+F)</b>   | <b>10,968.05</b>                    | <b>11,260.66</b>                     |
| <b>Total energy consumed (A+B+C+D+E+F)</b>  | <b>10,968.05</b>                    | <b>11,260.66</b>                     |
| <b>Energy intensity per rupee of turnover</b> (Total energy consumption/ turnover in rupees Lakhs)  | 0.33 GJ / Lakh                      | 0.48 GJ / Lakh                       |
| <b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP) | 6.67GJ / Lakh \$                    | 10.86 GJ / Lakh \$                   |
| <b>Energy intensity in terms of physical output</b>   | 0.37 GJ / No. of units produced     | 0.33 GJ / No. of units produced*     |
| Energy intensity (optional) – the relevant metric may be selected by the entity   | -                                   | -                                    |

\*Figures of the previous year have been restated

**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

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

3. Provide details of the following disclosures related to water, in the following format:

| Parameter   | FY 2024-25 (Current Financial Year) | FY 2023-24 (Previous Financial Year) |
|---|-------------------------------------|--------------------------------------|
| <b>Water withdrawal by source (in kilolitres)</b>   |                                     |                                      |
| (i) Surface water   | 0                                   | 0                                    |
| (ii) Groundwater  | 0                                   | 0                                    |
| (iii) Third party water   | 13,492                              | 12,460                               |
| (iv) Seawater / desalinated water   | 0                                   | 0                                    |
| (v) Others  | 75                                  | 70                                   |
| <b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>   | <b>13,567</b>                       | <b>12,530</b>                        |
| <b>Total volume of water consumption (in kilolitres)</b>  | <b>13,567</b>                       | <b>12,530</b>                        |
| <b>Water intensity per rupee of turnover</b> (Water consumed / turnover)  | 0.41 KL / Lakh                      | 0.53909 KL / Lakh                    |
| <b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>(Total water consumption / Revenue from operations adjusted for PPP) | 8.25 KL / Lakh \$                   | 12.08293 KL / Lakh \$                |
| <b>Water intensity in terms of physical output</b>  | 0.46 KL / No. of units produced     | 0.37 KL / No. of units produced*     |
| <b>Water intensity</b> (optional) – the relevant metric may be selected by the entity.  | -                                   | -                                    |

\*Figures of the previous year have been restated

**Note:** 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

4. Provide the following details related to water discharged: Water discharge by destination and level of treatment (in kilolitres)

| Parameter  | FY 2024-25 (Current Financial Year) | FY 2023-24 (Previous Financial Year)                                   |
|--|-------------------------------------|--|
| <b>Water discharge by destination and level of treatment (in kilolitres)</b> |                                     |  |
| (i) To Surface water   |                                     |  |
| - No treatment   |                                     |  |
| With treatment – please specify level of treatment                           |                                     |  |
| (ii) To Groundwater  |                                     |  |
| - No treatment   |                                     |  |
| With treatment – please specify level of treatment                           |                                     |  |
| (iii) To Seawater  |                                     | The domestic wastewater is being disposed of, as per regulatory norms. |
| - No treatment   |                                     |  |
| With treatment – please specify level of treatment                           |                                     |  |
| (iv) Sent to third-parties   |                                     |  |
| - No treatment   |                                     |  |
| With treatment – please specify level of treatment                           |                                     |  |
| (v) Others   |                                     |  |
| - No treatment   |                                     |  |
| With treatment – please specify level of treatment                           |                                     |  |
| <b>Total water discharged (in kilolitres)</b>                                |                                     |  |

**Remarks:** The Company does not discharge untreated water.

**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

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No. While the Company has not implemented a formal Zero Liquid Discharge mechanism, it follows responsible water management practices. Water is used conservatively and efficiently, with a focus on minimizing waste. All discharged water undergo proper treatment to ensure that all chemically reactive residues, if any are neutralized.

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:** The Company is in the process of developing systems to centrally collect and consolidate relevant data. Once established, the data will be reported in future disclosures.

**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.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) in MTCO2E & its intensity, in the following format:

| Parameter   | Unit                                   | FY 2024-25  | FY 2023-24  |
|---|--|---|---|
| Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)          | TCO <sub>2</sub> e                     | 9.15  | 14  |
| Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)          | TCO <sub>2</sub> e                     | 2,470.51  | 2183.96   |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover  | TCO <sub>2</sub> e / rupee of turnover | 0.0743 TCO <sub>2</sub> e / Lakh                  | 0.09456 TCO <sub>2</sub> e / Lakh                 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) | TCO <sub>2</sub> e / rupee of turnover | 1.51 TCO <sub>2</sub> e / Lakh \$                 | 2.11954 TCO <sub>2</sub> e / Lakh \$              |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output                                      | TCO <sub>2</sub> e / rupee of turnover | 0.0842 TCO <sub>2</sub> e / No. of units produced | 1.0271 TCO <sub>2</sub> e / No. of units produced |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity   | TCO <sub>2</sub> e / rupee of turnover | -   | -   |

**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.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. Yes, the Company ensures the use of energy-efficient equipment across its manufacturing units. The maintenance team is responsible for monitoring and overseeing implementation. Energy efficiency, including energy ratings and related specifications, is a key consideration during the procurement process.

9. Provide details related to waste management by the entity, in the following format:

| Parameter   | FY 2024-25                        | FY 2023-24                        |
|---|-----------------------------------|-----------------------------------|
| 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)                          | 4.45                              | 4.70                              |
| Total (A + B + C + D + E + F + G + H)   | 4.45                              | 4.70                              |
| Waste intensity per rupee of turnover (Total Waste Generated / Revenue from operations)   | 0.00013 MT / Lakh                 | 0.00020 MT / Lakh                 |
| <b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>(Total Waste Generated / Revenue from operations adjusted for PPP) | 0.00271 MT / Lakh \$              | 0.00453 MT / Lakh \$              |
| Waste intensity in terms of physical output   | 0.0020 MT / No. of units produced | 0.0022 MT / No. of units produced |
| Waste intensity (optional) the relevant metric may be selected by the entity  | -                                 | -                                 |

| Parameter  | FY 2024-25 | FY2023-24 |
|--|------------|-----------|
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b> |            |           |
| <b>Category of waste - Plastic</b>   |            |           |
| (i) Recycled   |            |           |
| (ii) Re-used   |            | NA        |
| (iii) Other recovery operations  |            |           |
| <b>Total</b>   |            | NA        |
| <b>Category of waste - E-Waste</b>   |            |           |
| (i) Recycled   |            |           |
| (ii) Re-used   |            |           |
| (iii) Other recovery operations  |            |           |
| <b>Total</b>   |            |           |
| <b>Category of waste - Bio-medical waste</b>   |            |           |
| (i) Recycled   |            |           |
| (ii) Re-used   |            | NA        |
| (iii) Other recovery operations  |            |           |
| <b>Total</b>   |            | NA        |
| <b>Category of waste - Construction and demolition waste</b>   |            |           |
| (i) Recycled   |            |           |
| (ii) Re-used   |            |           |
| (iii) Other recovery operations  |            | NA        |
| <b>Total</b>   |            |           |
| <b>Category of waste - Battery waste</b>   |            |           |
| (i) Recycled   |            |           |
| (ii) Re-used   |            |           |
| (iii) Other recovery operations  |            | NA        |
| <b>Total</b>   |            |           |
| <b>Category of waste - Radioactive waste</b>   |            |           |
| (i) Recycled   |            |           |
| (ii) Re-used   |            |           |
| (iii) Other recovery operations  |            | NA        |
| <b>Total</b>   |            |           |
| <b>Category of waste - Other Hazardous waste</b>   |            |           |
| (i) Recycled   |            |           |
| (ii) Re-used   |            |           |
| (iii) Other recovery operations  |            | NA        |
| <b>Total</b>   |            |           |
| <b>Category of waste - Other Non-Hazardous waste</b>   |            |           |
| (i) Recycled   |            |           |
| (ii) Re-used   |            |           |
| (iii) Other recovery operations  | 4.45       | 4.70      |
| <b>Total</b>   | 4.45       | 4.70      |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>                              |            |           |
| <b>Category of waste - Plastic</b>   |            |           |
| (i) Incineration   |            |           |
| (ii) Landfilling   |            |           |
| (iii) Other disposal operations  |            | NA        |
| <b>Total</b>   |            |           |
| <b>Category of waste - E-Waste</b>   |            |           |
| (i) Incineration   |            |           |
| (ii) Landfilling   |            |           |
| (iii) Other disposal operations  |            | NA        |
| <b>Total</b>   |            |           |
| <b>Category of waste - Bio-medical Waste</b>   |            |           |
| (i) Incineration   |            |           |
| (ii) Landfilling   |            |           |
| (iii) Other disposal operations  |            | NA        |
| <b>Total</b>   |            |           |
| <b>Category of waste - Construction and demolition waste</b>   |            |           |

| Parameter  | FY 2024-25 | FY2023-24 |
|--|------------|-----------|
| (i) Incineration   |            |           |
| (ii) Landfilling   |            |           |
| (iii) Other disposal operations  |            | NA        |
| <b>Total</b>   |            |           |
| <b>Category of waste - Battery</b>                                       |            |           |
| (i) Incineration   |            |           |
| (ii) Landfilling   |            |           |
| (iii) Other disposal operations  |            | NA        |
| <b>Total</b>   |            |           |
| <b>Category of waste - Radioactive</b>                                   |            |           |
| (i) Incineration   |            |           |
| (ii) Landfilling   |            |           |
| (iii) Other disposal operations  |            | NA        |
| <b>Total</b>   |            |           |
| <b>Category of waste - Other Hazardous waste. Please specify, if any</b> |            |           |
| (i) Incineration   |            |           |
| (ii) Landfilling   |            |           |
| (iii) Other disposal operations  |            | NA        |
| <b>Total</b>   |            |           |
| <b>Category of waste - Other Non-hazardous waste generated</b>           |            |           |
| (i) Incineration   |            |           |
| (ii) Landfilling   |            |           |
| (iii) Other disposal operations  |            | NA        |
| <b>Total</b>   |            |           |

**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

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, the primary type of manufacturing waste consists of residue material like aluminium and mild steel. These are sold off for further reuse and recycling. E-waste is handed over to authorized recyclers. Additionally, waste bins are placed at key locations across all sites to support proper disposal of other waste type.

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. |
|--------|--------------------------------|--------------------|---|
|        |                                |                    | Not Applicable  |

**Remarks:** Not Applicable as no operations/ offices are located in/around ecologically sensitive areas

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 |
|--------|-----------------------------------|----------------------|------|---|--|-------------------|
|        |                                   |                      |      |   |  | Not Applicable    |

**Remarks:** No Environmental Impact Assessments of projects were undertaken during the reporting period of FY 2024-25.

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 |
|--------|---|---------------------------------------|---|---------------------------------|
|        |   |                                       | NIL   |                                 |

**Remarks:** The Company is compliant with all applicable environmental law/ regulations/ guidelines in India.

### Leadership Indicators

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
  - iii. Water withdrawal, and consumption in the following format:

| Parameter  | FY 2024-25       | FY 2023-24       |
|--|------------------|------------------|
| <b>Water withdrawal by source (in kilolitres)</b>                                      |                  |                  |
| (i) Surface water  | 0                | 0                |
| (ii) Groundwater   | 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 | -                | -                |
| <b>Water discharge by destination and level of treatment (in kilolitres)</b>           |                  |                  |
| (i) To Surface water   |                  |                  |
| - No treatment   | 0                | 0                |
| With treatment – please specify level of treatment                                     | 0                | 0                |
| (ii) To Groundwater  |                  |                  |
| - 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

2. Please provide details of total Scope 3 emissions (MTCO2E) & its intensity, in the following format:

| Parameter   | Unit  | FY 2024-25 | FY 2023-24 |
|---|---|------------|------------|
| Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent | -          | -          |
| Total Scope 3 emissions per rupee of turnover   |   | -          | -          |
| Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity   |   | -          | -          |

**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

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.

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 reduced.                                  |
| 2      | EV Charging Point  | EV charging station was inaugurated within the premises to promote sustainable transportation and also contribute to reduction in carbon footprint.  | The EV charging station on an average is used for approx. 7 hours daily. |

5. Does the entity have a business continuity and disaster management plan?

The Company has implemented a comprehensive Business Continuity and Disaster Management Plan aimed at strengthening organizational resilience and minimizing the impact of disasters, crisis and disruptive events. This plan includes emergency preparedness measures for handling various types of emergencies, hazards and risks. Employees are provided with relevant information and basic training to ensure effective emergency response including a clear understanding of their roles and responsibilities. The framework outlines the procedures for developing, implementing, testing and maintaining business continuity strategies to ensure that critical operations can continue with minimal disruption and acceptable performance levels during adverse events.

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

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

1. a. Number of affiliations with trade and industry chambers/ associations.

We are affiliated with 4 trade and industry chambers/associations.

- 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.

| Sr. No | Name of the trade and industry chambers/associations | Reach of trade and industry chambers/associations (State/ National) |
|--------|--|---|
| 1      | Society of Indian Defence Manufacturers              | National  |
| 2      | Engineering Export Promotion Council of India        | National  |
| 3      | Federation of Indian Export Organisation             | National  |
| 4      | Authorised Economic Operator                         | International   |

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.

| Sr. 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 2024-25. |                         |

## Leadership Indicators

1. Details of public policy positions advocated by the entity:

| Sr. 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**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Sr. 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 2024-25, we have not undertaken any projects that require Social Impact Assessments (SIA). |                      |                      |   | Not applicable                                   |                   |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| Sr. 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 2024-25, we have not undertaken any projects that require Rehabilitation and Resettlement (R&R). |       |          |   | Not applicable           |   |

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.

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 | 41.99%                 | 23.56%                  |
| Sourced directly from within India           | 97.65%                 | 45.04%                  |

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        | 21                     | 6.24                    |
| Metropolitan | 79.25                  | 93.76                   |

## Leadership Indicators

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):

| Sr. No | Details of negative social impact identified | Corrective action taken |
|--------|--|-------------------------|
|        |  | Not Applicable          |

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 | Navi Mumbai           | 3,00,000              |
| 2      | Maharashtra | Mumbai                | 5,00,000              |
| 3      | Gujarat     | Nara                  | 30,00,000             |
| 4      | Gujarat     | Kutch                 | 50,00,000             |

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.

- b. From which marginalized /vulnerable groups do you procure?

Not Applicable

- c. What percentage of total procurement (by value) does it constitute?

Not Applicable

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:

| Sr. No | Intellectual Property based on traditional knowledge | Owned/ Acquired<br>(Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|--------|--|-----------------------------|---------------------------|------------------------------------|
|        |  | Not applicable              |                           |                                    |

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.

| Sr. No | Name of authority | Brief of the Case | Corrective action taken |
|--------|-------------------|-------------------|-------------------------|
|        |                   | Not applicable    |                         |

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      | Health Care, Sanitation and providing Drinking Water | 5000+                                       | 100  |
| 2      | Environmental Sustainability and Animal Welfare      | 600+ Cows                                   | 100  |
| 3      | Promotion of education and social welfare            | 1000+                                       | 100  |

**PRINCIPLE 9:**

**Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

To ensure customer satisfaction and service excellence, the Company has set up a dedicated contact point for receiving and addressing customer complaints and feedback via dedicated email address- [business@parasdefence.com](mailto:business@parasdefence.com). Upon receiving any complaint or feedback, we engage with the customers at various authorized levels and ensure that necessary corrective actions are taken in time.

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 | Not Applicable                    |
| Safe and responsible usage                                  | 100%                              |
| Recycling and/or safe disposal                              | Not Applicable                    |

3. Number of consumer complaints in respect of the following:

|                                | FY 2024-25               |                                   |         | FY 2023-24               |                                   |         |
|--------------------------------|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
|                                | 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                                 | -       |
| Advertising                    | 0                        | 0                                 | -       | 0                        | 0                                 | -       |
| Cyber-security                 | 0                        | 0                                 | -       | 0                        | 0                                 | -       |
| Delivery of essential services | 0                        | 0                                 | -       | 0                        | 0                                 | -       |
| Restrictive Trade Practices    | 0                        | 0                                 | -       | 0                        | 0                                 | -       |
| Unfair Trade Practices         | 0                        | 0                                 | -       | 0                        | 0                                 | -       |
| Other                          | 0                        | 0                                 | -       | 0                        | 0                                 | -       |

4. Details of instances of product recalls on account of safety issues:

| Category          | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | 0      | -                  |
| Forced recalls    | 0      | -                  |

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://parasdefence.com/investors>

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

7. Provide the following information relating to data breaches

- a. Number of instances of data breaches along-with impact – Nil
- b. Percentage of data breaches involving personally identifiable information of customers – 0%
- c. Impact, if any, of the data breaches – Not Applicable

**Leadership Indicators**

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).  
All information relating to products and solutions offered by Paras is available on the Company's website- [www.parasdefence.com](http://www.parasdefence.com)
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services. The Company has set up clear systems to ensure customers always have access to detailed information about our products and services. Our technical team stays in regular contact with customers, and we run training focused on the safe and effective use of our products. Product details are available on the website: [www.parasdefence.com](http://www.parasdefence.com).
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. Not Applicable owing to the nature of the business.
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 adheres to all applicable regulations pertaining to product information and labeling. Safety instructions, including the Do's and Don'ts are provided with all critical products to ensure proper handling. Regular interactions with customer are maintained to ensure satisfaction and obtain feedback on products and services. Based on the feedback received, the Company undertakes necessary actions to improve its offerings and address customer expectations.



# **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, 2025, 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, 2025 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, 2025. 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   |
|---|--|
| <b>1) Revenue:</b><br>During the year, the Company's revenue from operation has been increased by 43.63%. 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.<br><br>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.<br><br>Refer Note No. 1.3 (l) and 27 to the Standalone Financial Statements. | We assessed the Company's processes and controls for recognizing revenue as part of our audit. Our audit procedures included the following:<br><ul style="list-style-type: none"> <li>• Assessing the systems related to invoicing and measurement as well as other relevant systems supporting the accounting of revenue.</li> <li>• 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.</li> <li>• Verifying the completeness of disclosure in the Standalone Financial Statements as per Ind AS 115.</li> </ul> |

| Key Audit Matter  | How our audit addressed the key audit matter   |
|---|--|
| <p><b>2) Inventories</b></p> <p>As of March 31, 2025, inventories appear in the Standalone Financial Statements for an amount of ₹ 14,546.25 Lakhs constitutes 17.51% 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"><li>• Significance of the inventories balance.</li><li>• 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.</li></ul> <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"><li>• 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.</li><li>• 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</li><li>• Assessing the methods used to value inventories and ensuring the consistency of accounting methods.</li><li>• Testing, by sampling, the effectiveness of the controls set up by Management to prevent or detect possible errors in valuation of inventories.</li><li>• Analyzing the company's assessment of net realizable value and calculations for stock obsolescence.</li><li>• Verifying the completeness of disclosure in the Standalone Financial Statements as per Ind AS 2.</li><li>• Obtaining representation letter from the management as per SA 580 (revised) – Written representations.</li></ul> |

### 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, 2025 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 have not declared or paid dividend during the year.
- vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of account 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. Additionally, the Company has preserved the audit trail as per the statutory requirements for record retention.

For **CHATURVEDI & SHAH LLP**

Chartered Accountants

Firm Reg. No. 101720W / W100355

**Rupesh Shah**

Partner

Membership No. 117964

UDIN No.: 25117964BMOOSQ2585

Navi Mumbai

Date: April 30, 2025

## Annexure “A” to 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, 2025)

- i. In respect of its Property, Plant and Equipment and Intangible Assets:
    - a. (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 except as disclosed below.

| Particulars of Securities provided | For the quarter ended | Amount as per books of account | Amount as reported in the Stock statement | Amount of difference |
|------------------------------------|-----------------------|--------------------------------|---|----------------------|
| Inventories & Trade Receivables    | 30-09-2024            | 41318.23                       | 41317.29                                  | 0.94                 |
|                                    |                       |                                |   | (₹ In Lakhs)         |

- 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:
  - a. 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 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:

| Particulars   | Loans   | Guarantee |
|---|---------|-----------|
| <b>Aggregate amount guarantee granted during the year</b> |         |           |
| - Subsidiaries  | 2061.57 | -         |
| - Other Related Party                                     | 31.85   | 500.00    |

| Particulars   | Loans   | Guarantee | (₹ in Lakhs) |
|---|---------|-----------|--------------|
| - Employees   | 25.97   | -         |              |
| - Others  | 1565.00 | -         |              |
| Balance outstanding as at balance sheet date in respect of above cases including given in earlier years |         |           |              |
| - Subsidiaries  | 972.00  | 510.00    |              |
| - Other Related Party   | -       | 500.00    |              |
| - Employees   | 23.41   | -         |              |
| - Others  | 1165.00 | -         |              |

- b. 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, the guarantee given and the terms and conditions of all loans are, *prima facie*, not prejudicial to the Company's interest.
- c. 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.
- 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, 2025 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, 2025 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 | 74.04                | Commissioner / CPC                 |
| <b>Total</b>           |                                  |                             | <b>89.20</b>         |                                    |

- 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 records produced before us, the money raised by way of term loans have been applied, *prima facie*, for the purpose for which they were obtained.

- 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. The Company has not raised money by way of Initial Public Offer or Further Public Offer (Including Debt Instruments) and hence provision of clause x(a) of paragraph 3 of the Order are not applicable to the Company.
- b. According to the information and explanations given to us and based on our examination of the records of the Company, during the year, the Company has complied with provisions of section 42 of the Act, in respect of the Qualified Institutions Placement (QIP) of Equity shares. We report that the amount raised through qualified institutions placement (QIP) aggregating to ₹ 13,518.20 Lakhs for QIP related expenses, funding Working Capital requirements and general corporate purposes. Out of the above QIP proceeds, ₹ 12,972.50 Lakhs have been utilised for the above purpose and un-utilised amount have been temporarily invested in term deposits or lying with monitoring agency account. The Company has not made any preferential allotment or private placement of (fully or partially or optionally) convertible debenture during the year.
- 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.
- d. 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 ₹ 10.00 Lakhs remained unspent as at March 31, 2025, 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

Membership No. 117964

Date: April 30, 2025

UDIN No.: 25117964BMOOSQ2585

# 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, 2025)

## 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, 2025 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 based on the Internal Control 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, 2025, 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

Membership No. 117964

UDIN No.: 25117964BMOOSQ2585

Navi Mumbai

Date: April 30, 2025

# Standalone Balance Sheet

as at March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

| Particulars  | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|--|----------|----------------------|----------------------|
| <b>I. ASSETS</b>   |          |                      |                      |
| <b>1) Non Current Assets</b>   |          |                      |                      |
| (a) Property, Plant and Equipment  | 2        | 15,811.00            | 15,633.39            |
| (b) Capital Work in Progress   | 2        | 656.81               | 444.37               |
| (c) Investment Property  | 3        | 1,610.15             | 1,611.08             |
| (d) Intangible Assets  | 4        | 346.99               | 87.87                |
| (e) Financial Assets   |          |                      |                      |
| i) Investments   | 5        | 3,919.33             | 3,062.28             |
| ii) Loans  | 6        | 343.97               | 96.39                |
| iii) Other Financial Assets  | 7        | 738.88               | 1,417.05             |
| (f) Other Non Current Assets   | 8        | 1,562.57             | 607.64               |
|  |          | <b>24,989.70</b>     | <b>22,960.07</b>     |
| <b>2) Current Assets</b>   |          |                      |                      |
| (a) Inventories  | 9        | 14,546.25            | 14,081.29            |
| (b) Financial Assets   |          |                      |                      |
| i) Trade Receivables   | 10       | 28,183.31            | 18,012.74            |
| ii) Cash and Cash Equivalents  | 11       | 2,990.91             | 146.76               |
| iii) Bank Balances other than (ii) above   | 12       | 7,446.74             | 723.10               |
| iv) Loans  | 13       | 1,816.44             | 2,280.73             |
| v) Other Financial Assets  | 14       | 262.02               | 208.14               |
| (c) Other Current Assets   | 15       | 2,162.20             | 57,407.87            |
| (d) Assets held for Sale   | 42       | 699.20               | 699.20               |
|  |          | <b>83,096.77</b>     | <b>37,830.74</b>     |
| <b>TOTAL ASSETS</b>  |          |                      | <b>60,790.81</b>     |
| <b>II. EQUITY AND LIABILITIES</b>  |          |                      |                      |
| <b>EQUITY</b>  |          |                      |                      |
| (a) Equity Share Capital   | 16       | 4,029.37             | 3,900.00             |
| (b) Other Equity   | 17       | 60,317.49            | 40,764.84            |
|  |          | <b>64,346.86</b>     | <b>44,664.84</b>     |
| <b>LIABILITIES</b>   |          |                      |                      |
| <b>1) Non Current Liabilities</b>  |          |                      |                      |
| (a) Financial Liabilities  |          |                      |                      |
| (i) Borrowings   | 18       | -                    | 27.54                |
| (ii) Lease Liabilities   | 19       | 40.42                | 85.13                |
| (b) Provisions   | 20       | 406.55               | 301.58               |
| (c) Deferred Tax Liabilities (Net)   | 21       | 1,892.25             | 2,339.22             |
|  |          | <b>2,339.22</b>      | <b>2,454.29</b>      |
| <b>2) Current Liabilities</b>  |          |                      |                      |
| (a) Financial Liabilities  |          |                      |                      |
| (i) Borrowings   | 22       | -                    | 3,361.26             |
| (ii) Lease Liability   | 19       | 52.76                | 34.48                |
| (iii) Trade Payables   | 23       | -                    | -                    |
| (A) Total Outstanding dues of Micro enterprises and small enterprises                      |          | 1,978.86             | 933.73               |
| (B) Total Outstanding dues of creditors other than Micro enterprises and small enterprises |          | 3,210.14             | 4,868.55             |
| (iii) Other Financial Liabilities  | 24       | 626.11               | 519.26               |
| (b) Other Current Liabilities  | 25       | 9,146.60             | 3,096.36             |
| (c) Provisions   | 26       | 25.00                | 15.00                |
| (d) Current Tax Liabilities (Net)  |          | 1,371.22             | 16,410.69            |
|  |          | <b>16,410.69</b>     | <b>843.04</b>        |
|  |          | <b>83,096.77</b>     | <b>13,671.68</b>     |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |          |                      | <b>60,790.81</b>     |
| Material Accounting Policies   | 1        |                      |                      |
| Notes to the Standalone Financial Statements   | 2 to 50  |                      |                      |

As per our report of even date

For and on behalf of the Board of Directors

**For Chaturvedi & Shah LLP**

Chartered Accountants

(Firm Registration No. 101720W/W100355)

**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: April 30, 2025

# Statement of Standalone Profit and Loss

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

| Particulars   | Note No. | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---|----------|--------------------------------------|--------------------------------------|
| 1 Revenue From Operations   | 27       | 33,385.41                            | 23,243.45                            |
| 2 Other Income  | 28       | 1,185.63                             | 934.00                               |
| <b>3 Total Income (1+2)</b>   |          | <b>34,571.04</b>                     | <b>24,177.45</b>                     |
| <b>4 Expenses</b>   |          |                                      |                                      |
| Cost of Materials Consumed  |          | 12,504.76                            | 11,318.28                            |
| Purchase of Stock in Trade  |          | 2,159.10                             | 2,032.63                             |
| Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade | 29       | 482.67                               | (2,557.22)                           |
| Employee Benefits Expense   | 30       | 3,337.67                             | 2,728.04                             |
| Finance Costs   | 31       | 551.90                               | 384.58                               |
| Depreciation and Amortisation Expense   | 32       | 1,354.32                             | 1,216.20                             |
| Other Expenses  | 33       | 5,499.79                             | 4,592.66                             |
| <b>Total Expenses</b>   |          | <b>25,890.21</b>                     | <b>19,715.17</b>                     |
| <b>5 Profit Before Exceptional Items and Tax (3-4)</b>                        |          | <b>8,680.83</b>                      | <b>4,462.28</b>                      |
| 6 Exceptional Items   |          | -                                    | -                                    |
| <b>7 Profit Before Tax (5-6)</b>  |          | <b>8,680.83</b>                      | <b>4,462.28</b>                      |
| <b>8 Tax Expenses :</b>   |          |                                      |                                      |
| Current Tax   |          | 2,269.94                             | 1,250.58                             |
| Deferred Tax  | 21       | (96.03)                              | (100.21)                             |
| Income Tax for Earlier Years  |          | -                                    | (111.59)                             |
|   |          | <b>2,173.91</b>                      | <b>1,038.78</b>                      |
| <b>9 Profit for the Year (7-8)</b>  |          | <b>6,506.92</b>                      | <b>3,423.50</b>                      |
| <b>10 Other Comprehensive Income</b>  |          |                                      |                                      |
| <b>(i) Items that will not be reclassified to profit or loss</b>              |          |                                      |                                      |
| Remeasurement Loss on Defined Benefit Plans                                   |          | 52.01                                | 48.47                                |
| Tax Effect on above   |          | (13.09)                              | (12.20)                              |
| <b>(ii) Items that will be reclassified to Profit or Loss</b>                 |          | -                                    | -                                    |
| <b>Total Other Comprehensive Income (Net of Tax)</b>                          |          | <b>38.92</b>                         | <b>36.27</b>                         |
| <b>Total Comprehensive Income for the Year (9-10)</b>                         |          | <b>6,468.00</b>                      | <b>3,387.23</b>                      |
| <b>11 Earnings per Equity Share of ₹ 10/- each</b>                            | 34       |                                      |                                      |
| Basic (₹)   |          | 16.42                                | 8.77                                 |
| Diluted (₹)   |          | 16.42*                               | 8.77                                 |
| Material Accounting Policies  | 1        |                                      |                                      |
| Notes to the Standalone Financial Statements                                  | 2 to 50  |                                      |                                      |

As per our report of even date

For and on behalf of the Board of Directors

**For Chaturvedi & Shah LLP**  
 Chartered Accountants  
 (Firm Registration No. 101720W/W100355)

**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: April 30, 2025

# Statement of Standalone Changes in Equity

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## A. EQUITY SHARE CAPITAL

| Particulars          | Balance as at April 01, 2023 | Changes during the Year | Balance as at March 31, 2024 | Changes during the year | Balance as at March 31, 2025 |
|----------------------|------------------------------|-------------------------|------------------------------|-------------------------|------------------------------|
| Equity Share Capital | 3,900.00                     | -                       | 3,900.00                     | 129.37                  | 4,029.37                     |

## B. OTHER EQUITY

| Particulars  | Reserves and Surplus |                    |                 |                   |                      | Revaluation Reserve | Item of Other Comprehensive Income<br>Remeasurements of Defined Benefit Plans | Total            |
|--|----------------------|--------------------|-----------------|-------------------|----------------------|---------------------|---|------------------|
|  | Capital Reserve      | Securities Premium | General Reserve | Retained Earnings | Share Based payments |                     |   |                  |
| <b>Balance as at April 01, 2023</b>                                    | <b>(808.36)</b>      | <b>17,799.78</b>   | <b>11.92</b>    | <b>16,188.03</b>  |                      | <b>-</b>            | <b>4,183.09</b>   | <b>38.54</b>     |
| 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         |
| <b>Balance as at March 31, 2024</b>                                    | <b>(808.36)</b>      | <b>17,764.39</b>   | <b>11.92</b>    | <b>19,611.53</b>  |                      | <b>-</b>            | <b>4,183.09</b>   | <b>2.27</b>      |
| <b>Balance as at April 01, 2024</b>                                    | <b>(808.36)</b>      | <b>17,764.39</b>   | <b>11.92</b>    | <b>19,611.53</b>  |                      | <b>-</b>            | <b>4,183.09</b>   | <b>2.27</b>      |
| Issue of Equity Share Capital (Qualified)                              | -                    | 13,388.80          | -               | -                 | -                    | -                   | -   | 13,388.80        |
| Institutional Placement - QIP (Refer Note no. 16.2)                    | -                    | -                  | -               | -                 | -                    | -                   | -   | -                |
| Expenses related to issue of Equity Share Capital (QIP) (Net of Taxes) | -                    | (293.75)           | -               | -                 | -                    | -                   | -   | (293.75)         |
| Reversal of Deferred Tax (IPO related Expenses)                        | -                    | (35.39)            | -               | -                 | -                    | -                   | -   | (35.39)          |
| Share based Payments (Refer Note No. 41.2)                             | -                    | -                  | -               | -                 | 24.99                | -                   | -   | 24.99            |
| Total Comprehensive Income for the year                                | -                    | -                  | -               | 6,506.92          | -                    | -                   | (38.92)   | 6,468.00         |
| <b>Balance as at March 31, 2025</b>                                    | <b>(808.36)</b>      | <b>30,824.05</b>   | <b>11.92</b>    | <b>26,118.45</b>  | <b>24.99</b>         | <b>4,183.09</b>     | <b>(36.65)</b>  | <b>60,317.49</b> |

As per our report of even date

For and on behalf of the Board of Directors

**For Chaturvedi & Shah LLP**

Chartered Accountants

(Firm Registration No. 101720W/W100355)

**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: April 30, 2025

# Statement of Standalone Cash Flow

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

| Particulars  | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>  |                                      |                                      |
| Profit before Tax as per the Statement of Profit and Loss                              | <b>8,680.83</b>                      | <b>4,462.28</b>                      |
| <b>ADJUSTED FOR :</b>  |                                      |                                      |
| Depreciation and Amortisation Expense  | 1,354.32                             | 1,216.20                             |
| Interest Income  | (622.24)                             | (374.18)                             |
| Dividend Income  | (1.75)                               | (0.35)                               |
| Finance Costs  | 551.90                               | 384.58                               |
| Loss/(Profit) on Discard / sale of Property, Plant and Equipment (Net)                 | 14.45                                | (1.21)                               |
| Bad Debts / Advances written off (Net)   | 125.61                               | 145.70                               |
| Provision for Expected Credit Loss   | 363.31                               | 522.45                               |
| Reversal for Credit Impaired   | -                                    | (30.85)                              |
| Provision for Doubtful Advances  | -                                    | 7.80                                 |
| Profit on sale of Investment   | (149.00)                             | -                                    |
| Gain on Financial Instruments measured at fair value through profit or loss            | (189.69)                             | (475.46)                             |
| Employee Share Based Payment Expenses  | 24.99                                | -                                    |
| Unrealised Loss on Foreign Currency Transactions (net)                                 | 18.28                                | 11.60                                |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>                                 | <b>10,171.01</b>                     | <b>5,868.56</b>                      |
| <b>ADJUSTMENTS FOR :</b>   |                                      |                                      |
| Trade and Other Receivables  | (10,581.74)                          | (5,044.54)                           |
| Inventories  | (464.96)                             | (4,931.94)                           |
| Trade and Other Payables   | 5,551.94                             | (5,494.76)                           |
| <b>CASH GENERATED FROM/ (USED IN) OPERATIONS</b>                                       | <b>4,676.25</b>                      | <b>(575.29)</b>                      |
| Direct Taxes Paid (Including Interest)   | (1,820.03)                           | (1,146.16)                           |
| <b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>                          | <b>2,856.22</b>                      | <b>(1,721.45)</b>                    |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>  |                                      |                                      |
| Purchase of Property, Plant and Equipment, Intangible assets, Capital Work-in-Progress | (2,959.96)                           | (2,476.94)                           |
| Sale of Property, Plant and Equipment  | 14.14                                | 18.82                                |
| Investment in Subsidiary Companies   | -                                    | (72.00)                              |
| Sale of Investment in Subsidiary Company   | 10.00                                | -                                    |
| Amount received against Sale of Investment in Subsidiary Company                       | 50.00                                | -                                    |
| Investment in Associate Company  | -                                    | (0.30)                               |
| Purchase of Non - Current Investment   | (0.10)                               | (890.99)                             |
| Sale of Non - Current Investment   | 725.00                               | -                                    |
| Sale of Optionally Convertible Preference Shares                                       | -                                    | 300.00                               |
| Purchase of Compulsory Convertible Preference Shares                                   | (1,000.01)                           | -                                    |
| Inter Corporate Deposits given to Subsidiary Companies                                 | (2,061.57)                           | (2,039.00)                           |
| Inter Corporate Deposits repaid by Subsidiary Companies                                | 2,151.12                             | 181.00                               |
| Inter Corporate Deposits given to Associate Company                                    | (11.70)                              | -                                    |
| Inter Corporate Deposits repaid by Associated Company                                  | 11.70                                | -                                    |
| Inter- Corporate Deposit given to Others   | (1,585.15)                           | (1,070.00)                           |
| Inter- Corporate Deposits repaid by Others   | 800.15                               | 1,790.00                             |
| Interest Income  | 572.97                               | 309.14                               |
| Dividend Income  | 1.75                                 | 0.35                                 |
| Temporary deposits/Balances of IPO/ QIP Proceeds/Utilised                              | (4,532.30)                           | 1,953.63                             |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>   | <b>(7,813.96)</b>                    | <b>(1,996.29)</b>                    |

# Statement of Standalone Cash Flow

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

| Particulars   | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                 |                                      |                                      |
| Proceed from Issue of Equity Shares (QIP) (Net of Expenses)   | 13,150.36                            | -                                    |
| Proceed from Non Current Borrowings                           | 61.29                                | 35.64                                |
| Repayment of Non Current Borrowings                           | (93.81)                              | (3.12)                               |
| Repayment of Lease Liabilities                                | (36.23)                              | -                                    |
| Current Borrowings (Net)                                      | (3,356.28)                           | 3,356.28                             |
| Finance Costs   | (409.79)                             | (313.34)                             |
| Margin Money (Net)  | (1,513.17)                           | (769.64)                             |
| <b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>           | <b>7,802.37</b>                      | <b>2,305.82</b>                      |
| <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b> | <b>2,844.63</b>                      | <b>(1,411.92)</b>                    |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>         | <b>146.76</b>                        | <b>1,559.04</b>                      |
| <b>Effect of Exchange rate on Cash and Cash Equivalents</b>   | <b>(0.48)</b>                        | <b>(0.36)</b>                        |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>               | <b>2,990.91</b>                      | <b>146.76</b>                        |
| (Refer Note No. 11.1)   |                                      |                                      |

## Changes in Liabilities arising from financing activities on account of Non-Current and Current Borrowings

| Particulars   | March 31, 2025  | March 31, 2024  |
|---|-----------------|-----------------|
| <b>OPENING BALANCE OF LIABILITIES ARISING FROM FINANCING ACTIVITIES</b> | <b>3,388.80</b> | -               |
| Add : Changes from Cash Flow from Financing Activities (Net)            | (3,388.80)      | 3,388.80        |
| <b>CLOSING BALANCE OF LIABILITIES ARISING FROM FINANCING ACTIVITIES</b> | <b>-</b>        | <b>3,388.80</b> |

- (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) The figures for the corresponding previous periods/year have been regrouped/rearranged wherever necessary, to make them comparable.

As per our report of even date

For and on behalf of the Board of Directors

### For Chaturvedi & Shah LLP

Chartered Accountants

(Firm Registration No. 101720W/W100355)

#### 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: April 30, 2025

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(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, 2025 were approved and adopted by board of directors in their meeting held on April 30, 2025.

## 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.
- Employee stock option plan measured at fair value.

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, 2025

(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, 2025

(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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

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 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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

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.

## 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) Share based payments

The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share options are determined with the assistance of an external valuer and the fair value at the grant date is expensed on a proportionate basis over the vesting period based on the Company's estimate of shares that will eventually vest. The estimate of the number of options likely to vest is reviewed at each balance sheet date up to the vesting date at which point the estimate is adjusted to reflect the current expectations.

## (N) 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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

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.

## (O) 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 s as specified in Schedule II to the Companies Act, 2013 and residual values

are based on the Company's historical experience with similar assets and take into account anticipated technological changes, whichever is more appropriate. 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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## 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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(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      | Equipment     | Office Equipment | Computer      | Right of Use Assets (Building) | Right of Use Assets (Improvement) | Total            |
|--------------------------------------|-----------------|-----------------|---------------------|------------------------|---------------|---------------|------------------|---------------|--------------------------------|-----------------------------------|------------------|
| <b>Balance as at April 01, 2023</b>  | <b>5,415.59</b> | <b>2,547.06</b> | <b>9,520.99</b>     | <b>533.87</b>          | <b>387.66</b> | <b>332.81</b> | <b>134.00</b>    | <b>-</b>      | <b>-</b>                       | <b>-</b>                          | <b>18,886.98</b> |
| Additions for the year               | -               | 76.90           | 2,247.38            | 85.39                  | 40.12         | 78.09         | 47.79            | 126.84        | -                              | -                                 | 2,705.29         |
| Disposals / Adjustment               | -               | -               | -                   | 7.50                   | 5.98          | 2.75          | 12.87            | -             | -                              | -                                 | -                |
| <b>Balance as at March 31, 2024</b>  | <b>5,415.59</b> | <b>2,623.96</b> | <b>11,778.37</b>    | <b>616.76</b>          | <b>421.80</b> | <b>408.15</b> | <b>168.92</b>    | <b>126.84</b> | <b>-</b>                       | <b>-</b>                          | <b>21,560.85</b> |
| Additions for the year               | -               | 26.21           | 1,174.52            | 93.89                  | 63.05         | 106.64        | 26.23            | -             | -                              | -                                 | 1,505.77         |
| Disposals / Adjustment               | -               | -               | 3.60                | 46.29                  | 13.06         | 9.32          | 5.05             | -             | -                              | -                                 | 77.80            |
| Transferred to Investment Properties | -               | 161.30          | -                   | -                      | -             | -             | -                | -             | -                              | -                                 | 161.30           |
| <b>Balance as at March 31, 2025</b>  | <b>5,415.59</b> | <b>2,488.87</b> | <b>12,949.29</b>    | <b>664.36</b>          | <b>471.79</b> | <b>505.47</b> | <b>190.10</b>    | <b>126.84</b> | <b>17.97</b>                   | <b>22,830.28</b>                  | <b>-</b>         |
| <b>Depreciation</b>                  | <b>520.46</b>   | <b>483.01</b>   | <b>3,207.24</b>     | <b>149.48</b>          | <b>283.55</b> | <b>129.02</b> | <b>78.35</b>     | <b>-</b>      | <b>-</b>                       | <b>-</b>                          | <b>4,831.11</b>  |
| Depreciation for the Year            | 81.17           | 106.77          | 702.91              | 54.21                  | 36.53         | 61.84         | 35.15            | 8.80          | -                              | -                                 | 1,087.85         |
| Disposals / Adjustment               | -               | -               | -                   | 0.71                   | 5.41          | 2.06          | 3.31             | -             | -                              | -                                 | 11.00            |
| <b>Balance as at March 31, 2024</b>  | <b>601.63</b>   | <b>589.78</b>   | <b>3,910.15</b>     | <b>202.98</b>          | <b>314.67</b> | <b>188.80</b> | <b>110.19</b>    | <b>8.80</b>   | <b>-</b>                       | <b>-</b>                          | <b>5,927.00</b>  |
| Depreciation for the Year            | 81.17           | 99.45           | 824.25              | 54.52                  | 33.98         | 68.34         | 30.99            | 42.16         | 0.08                           | -                                 | 1,233.71         |
| Disposals / Adjustment               | -               | -               | 0.39                | 28.20                  | 8.73          | 7.87          | 4.81             | -             | -                              | -                                 | 56.00            |
| Transferred to Investment Properties | -               | 92.66           | -                   | -                      | -             | -             | -                | -             | -                              | -                                 | 92.66            |
| <b>Balance as at March 31, 2025</b>  | <b>682.80</b>   | <b>596.57</b>   | <b>4,734.01</b>     | <b>229.30</b>          | <b>339.92</b> | <b>249.27</b> | <b>136.37</b>    | <b>50.96</b>  | <b>0.08</b>                    | <b>7,019.28</b>                   | <b>-</b>         |
| <b>Net Carrying Value</b>            | <b>4,813.96</b> | <b>2,034.18</b> | <b>7,868.22</b>     | <b>413.78</b>          | <b>107.13</b> | <b>219.35</b> | <b>58.73</b>     | <b>118.04</b> | <b>-</b>                       | <b>-</b>                          | <b>15,633.39</b> |
| Balance as at March 31, 2025         | <b>4,732.79</b> | <b>1,892.30</b> | <b>8,215.28</b>     | <b>435.06</b>          | <b>131.87</b> | <b>256.20</b> | <b>53.73</b>     | <b>75.88</b>  | <b>17.89</b>                   | <b>15,811.00</b>                  | <b>-</b>         |

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 ₹ 33.92 lakhs (March 31, 2024: ₹ 55.29 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, 2025

(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<br>March 31, 2025 | As at<br>March 31, 2024 |
|-----------------------------|-------------------------|-------------------------|
| Building under Construction | 37.24                   | 52.58                   |
| Plant and Machinery         | 462.84                  | 334.81                  |
| Furniture and Fixtures      | 44.40                   | 41.55                   |
| Office Equipment            | 91.85                   | 15.43                   |
| Computer                    | 20.48                   | -                       |
| <b>TOTAL</b>                | <b>656.81</b>           | <b>444.37</b>           |

### 2.5 Capital Work In Progress ageing schedule as at March 31, 2025 is as follows:

| Particulars                   | Less than<br>1 year | 1-2 years    | 2-3 years | More than<br>3 years | Total         |
|-------------------------------|---------------------|--------------|-----------|----------------------|---------------|
| Project in progress           | 537.60              | 71.93        | -         | 47.28                | 656.81        |
| Project temporarily suspended | -                   | -            | -         | -                    | -             |
| <b>TOTAL</b>                  | <b>537.60</b>       | <b>71.93</b> | <b>-</b>  | <b>47.28</b>         | <b>656.81</b> |

### Capital Work In Progress ageing schedule as at March 31, 2024 is as follows:

| Particulars                   | Less than<br>1 year | 1-2 years | 2-3 years    | More than<br>3 years | Total         |
|-------------------------------|---------------------|-----------|--------------|----------------------|---------------|
| Project in progress           | 397.09              | -         | 47.28        | -                    | 444.37        |
| Project temporarily suspended | -                   | -         | -            | -                    | -             |
| <b>TOTAL</b>                  | <b>397.09</b>       | <b>-</b>  | <b>47.28</b> | <b>-</b>             | <b>444.37</b> |

### 2.6 Expected completion schedule of capital work in progress where cost or time overrun has exceeded original plan.

#### Capital Work In Progress as at March 31, 2025

| Particulars                      | To be completed in |          |          |                      |              |
|----------------------------------|--------------------|----------|----------|----------------------|--------------|
|                                  | upto 1 year        | 1-2 year | 2-3 year | More than<br>3 years | Total        |
| Syrus Pro -1100 - Optics Machine | 47.28              | -        | -        | -                    | 47.28        |
| <b>Total</b>                     | <b>47.28</b>       | <b>-</b> | <b>-</b> | <b>-</b>             | <b>47.28</b> |

**2.7** The company does not have any capital work in progress as at March 31, 2024, whose completion is overdue or exceeded its cost compared to its original plan.

**2.8** Building includes cost of shares in Co-operative society of ₹ 750 ( March 31, 2024 ₹ 750).

**2.9** 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, 2025.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 3 Investment property

| Particulars                                    | Land          | Buildings       | Total           |
|--|---------------|-----------------|-----------------|
| <b>Costs</b>                                   |               |                 |                 |
| <b>As at April 01, 2023</b>                    | <b>377.82</b> | <b>1,835.34</b> | <b>2,213.16</b> |
| Additions for the year                         | -             | -               | -               |
| <b>As at March 31, 2024</b>                    |               |                 |                 |
| Additions for the year                         | -             | 24.10           | 24.10           |
| Transferred from property, plant and equipment | -             | 161.30          | 161.30          |
| <b>As at March 31, 2025</b>                    | <b>377.82</b> | <b>2,020.74</b> | <b>2,398.56</b> |
| <b>Depreciation</b>                            |               |                 |                 |
| <b>As at April 01, 2023</b>                    | <b>-</b>      | <b>515.94</b>   | <b>515.94</b>   |
| Depreciation for the Year                      | -             | 86.14           | 86.14           |
| <b>As at March 31, 2024</b>                    |               |                 |                 |
| Transferred from property, plant and equipment | -             | 92.66           | 92.66           |
| Depreciation for the Year                      | -             | 93.67           | 93.67           |
| <b>As at March 31, 2025</b>                    | <b>-</b>      | <b>788.41</b>   | <b>788.41</b>   |
| <b>Net Carrying Value</b>                      |               |                 |                 |
| <b>Balance as at March 31, 2024</b>            | <b>377.82</b> | <b>1,233.26</b> | <b>1,611.08</b> |
| <b>Balance as at March 31, 2025</b>            | <b>377.82</b> | <b>1,232.33</b> | <b>1,610.15</b> |

**3.1** The Company's Investment Properties as at March 31, 2025 consist of Land and Building

### 3.2 Loss from Investment Properties generating Rental Income

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| Rental Income derived from investment properties              | 38.70                   | 7.50                    |
| Direct Expenses   | (0.68)                  | -                       |
| Income arising from investment properties before depreciation | 38.02                   | 7.50                    |
| Depreciation  | (93.67)                 | (86.14)                 |
| <b>Loss from Investment properties (Net)</b>                  | <b>(55.65)</b>          | <b>(78.64)</b>          |

### 3.3 Leasing arrangement

During the year, the company has entered into lease rent agreement on April 15, 2024 (w.e.f. October 1, 2024) and in the previous year the company has entered into the lease rent agreement on January 15, 2024 with one its subsidiary company named as Mechtech Technologies Private Limited. The future rental income in respect of above lease arrangements are as under:

| Particulars                                       | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| Within one year                                   | 28.50                   | 25.50                   |
| Later than one year but not later than five years | 19.20                   | -                       |
| <b>Total</b>                                      | <b>47.70</b>            | <b>25.50</b>            |

### 3.4 Fair Value

The Fair Values of the properties are ₹ 1,625.21 Lakhs (March 31, 2024: 2,898.00 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 and sales comparison method in which the sales instances of the similar properties or properties with similar attributes in the same region are traced and the market rates are derived by using the experience and expertise of the Valuer. 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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 4 Intangible Assets

| Particulars                         | Computer Software* | Process Technology / Technical know-how* | TOTAL         |
|-------------------------------------|--------------------|--|---------------|
| <b>Balance as at April 01, 2023</b> | <b>69.04</b>       | <b>309.14</b>                            | <b>378.18</b> |
| Additions for the year              | 48.21              | -  | 48.21         |
| <b>Balance as at March 31, 2024</b> | <b>117.25</b>      | <b>309.14</b>                            | <b>426.39</b> |
| Additions for the year              | 286.10             | -  | 286.10        |
| Disposals / Adjustment              | 1.90               | -  | 1.90          |
| <b>Balance as at March 31, 2025</b> | <b>401.45</b>      | <b>309.14</b>                            | <b>710.59</b> |
| <b>Amortisation</b>                 |                    |  |               |
| <b>Balance as at April 01, 2023</b> | <b>17.23</b>       | <b>278.61</b>                            | <b>295.84</b> |
| Amortisation charge for the Year    | 14.62              | 28.06                                    | 42.68         |
| <b>Balance as at March 31, 2024</b> | <b>31.85</b>       | <b>306.67</b>                            | <b>338.52</b> |
| Amortisation charge for the Year    | 23.28              | 2.43                                     | 25.71         |
| Disposals / Adjustment              | 0.63               | -  | 0.63          |
| <b>Balance as at March 31, 2025</b> | <b>54.50</b>       | <b>309.10</b>                            | <b>363.60</b> |
| <b>Net Carrying Amount</b>          |                    |  |               |
| <b>Balance As at March 31, 2024</b> | <b>85.40</b>       | <b>2.47</b>                              | <b>87.87</b>  |
| <b>Balance as at March 31, 2025</b> | <b>346.95</b>      | <b>0.04</b>                              | <b>346.99</b> |

\*Other than self generated

## Note: 5 Non Current Investment

| Particulars  | Number of Shares        |                         | Face Value | As at<br>March 31, 2025 | As at<br>March 31, 2024 |  |  |  |
|--|-------------------------|-------------------------|------------|-------------------------|-------------------------|--|--|--|
|  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |            |                         |                         |  |  |  |
| <b>(Unquoted, Fully Paid Up)</b>   |                         |                         |            |                         |                         |  |  |  |
| <b>A. Investment in Equity Instruments</b>                                 |                         |                         |            |                         |                         |  |  |  |
| <b>i) Subsidiary Companies (Carried at Cost)</b>                           |                         |                         |            |                         |                         |  |  |  |
| Paras Aerospace Private Limited*   | 6,06,000                | 6,06,000                | 10         | 60.60                   | 60.60                   |  |  |  |
| Paras Green UAV Private Limited*   | -                       | 10,000                  | 10         | -                       | 1.00                    |  |  |  |
| (Formerly Known as Paras Green Optics Private Limited) (Refer Note no. 43) |                         |                         |            |                         |                         |  |  |  |
| Paras Anti-Drone Technologies Private Limited*                             | 5,55,500                | 5,55,500                | 10         | 55.55                   | 55.55                   |  |  |  |
| OPEL Technologies PTE Ltd  | 100                     | 100                     | SGD 1      | 0.05                    | 0.05                    |  |  |  |
| Ayatti Innovative Private Limited (Refer Note no. 42)                      | -                       | 15,20,000               | 10         | -                       | 699.20                  |  |  |  |
| Mechtech Thermal Private Limited*  | 70,000                  | 70,000                  | 10         | 7.00                    | 7.00                    |  |  |  |
| Quantico Technologies Private Limited*                                     | 1,00,000                | 1,00,000                | 10         | 10.00                   | 10.00                   |  |  |  |
| <b>ii) Associate Companies (Carried at Cost)</b>                           |                         |                         |            |                         |                         |  |  |  |
| Krasny Paras Defence Technologies Private Limited                          | 5,22,500                | 5,22,500                | 10         | 52.25                   | 52.25                   |  |  |  |
| Controp Paras Technologies Private Limited                                 | 3,000                   | 3,000                   | 10         | 0.30                    | 0.30                    |  |  |  |
| <b>iii) Others (Carried at fair value through Profit &amp; Loss)</b>       |                         |                         |            |                         |                         |  |  |  |
| NKGSB Co-Operative Bank Limited  | 2,51,000                | 2,50,000                | 10         | 25.10                   | 25.00                   |  |  |  |
| Highlander Aviation Limited  | 87,953                  | 87,953                  | NIS 0.01   | 1,045.52                | 993.03                  |  |  |  |
| FFS Industries Private Limited   | 9,80,000                | 9,90,000                | 10         | 710.50                  | 1,158.30                |  |  |  |
| <b>B. Investment in 0.01% Optionally Convertible Preference Shares</b>     |                         |                         |            |                         |                         |  |  |  |
| <b>i) Subsidiary Companies (Carried at Cost)</b>                           |                         |                         |            |                         |                         |  |  |  |
| Paras Anti-Drone Technologies Private Limited#                             | 95,24,511               | -                       | 10         | 952.45                  | -                       |  |  |  |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 5 Non Current Investment (Contd..)

| Particulars  | Number of Shares        |                         | Face Value | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|------------|-------------------------|-------------------------|
|  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |            |                         |                         |
| <b>C. Investment in 0.01% Compulsary Convertible Preference Shares (Carried at fair value through Profit &amp; Loss)</b> |                         |                         |            |                         |                         |
| Logic Fruit Technologies Private Limited   | 1,800                   | -                       | 10         | 1,000.01                | -                       |
| <b>Total</b>   |                         |                         |            | <b>3,919.33</b>         | <b>3,062.28</b>         |

\* Includes shares held by nominee shareholder of the Company

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
|  |                         |                         |
| Aggregate Amount of Unquoted Investments                 | 3,919.33                | 3,062.28                |
| Aggregate Amount of Quoted Investments and Market Value  | -                       | -                       |
| Investment Carried at fair value through Profit and Loss | 2,781.13                | 2,176.33                |
| Investment Carried at Cost                               | 1,138.20                | 885.95                  |

## Note: 6 Non-current Financial Assets- Loans

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
|   |                         |                         |
| (Unsecured, Considered Good)  |                         |                         |
| Intercorporate Deposits given to Subsidiary Company (Refer Note No. 6.1 and 36) | 342.00                  | 93.00                   |
| Loans to Employees  | 1.97                    | 3.39                    |
| <b>Total</b>  | <b>343.97</b>           | <b>96.39</b>            |

**6.1** Above Intercorporate deposits are given for Working Capital Requirements

## Note: 7 Non-current Financial Assets- Others

| Particulars                                    | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
|  |                         |                         |
| Fixed Deposits with Banks held as Margin Money | 738.88                  | 1,417.05                |
| <b>Total</b>                                   | <b>738.88</b>           | <b>1,417.05</b>         |

## Note: 8 Other Non-current Assets

| Particulars                           | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---------------------------------------|-------------------------|-------------------------|
|                                       |                         |                         |
| Capital Advances                      |                         |                         |
| - Considered Good                     | 1,325.65                | 471.43                  |
| - Considered Doubtful                 | -                       | 7.80                    |
|                                       | <b>1,325.65</b>         | <b>479.23</b>           |
| Less: Provision for Doubtful Advances | -                       | 7.80                    |
|                                       | <b>1,325.65</b>         | <b>471.43</b>           |
| Prepaid Expenses                      | 129.59                  | 59.93                   |
| Security Deposits                     | 107.33                  | 76.28                   |
| <b>Total</b>                          | <b>1,562.57</b>         | <b>607.64</b>           |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 9 Inventories

| Particulars                               | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| Raw Materials                             | 6,691.32                | 5,698.56                |
| Raw Materials In Transit                  | 51.85                   | 2.19                    |
| Work-in-Progress                          | 7,638.89                | 8,111.55                |
| Finished Goods                            | 6.86                    | 16.01                   |
| Finished Goods In Transit                 | -                       | 0.86                    |
| Stores, Spares and Consumables            | 156.26                  | 252.12                  |
| Stores, Spares and Consumables In Transit | 1.07                    | -                       |
| <b>Total</b>                              | <b>14,546.25</b>        | <b>14,081.29</b>        |

**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<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| (Unsecured)                              |                         |                         |
| Considered Good                          | 29,050.46               | 18,882.57               |
| Significant Increase in Credit Risk      | 941.46                  | 568.50                  |
| Credit Impaired                          | -                       | 6.97                    |
|  | <b>29,991.92</b>        | <b>19,458.04</b>        |
| Less: Provision for Expected Credit Loss | 1,808.61                | 1,438.33                |
| Less: Provision for credit impaired      | -                       | 6.97                    |
| <b>Total</b>                             | <b>28,183.31</b>        | <b>18,012.74</b>        |

**10.1** For Hypothecated as security refer Note no 22.

**10.2 Trade Receivables Ageing Schedule as at March 31, 2025 and March 31, 2024 are as below :-**

**As at March 31, 2025**

| 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                                 | 3,228.06        | 9,527.91  | 10,047.91          | 2,217.23        | 4,029.35        | -                 | <b>29,050.46</b> |
| Undisputed Trade Receivables – which have significant increase in credit risk | -               | -   | -                  | 128.54          | 145.39          | 667.53            | <b>941.46</b>    |
| Undisputed Trade Receivables – credit impaired                                | -               | -   | -                  | -               | -               | -                 | -                |
| Disputed Trade receivables -considered good                                   | -               | -   | -                  | -               | -               | -                 | -                |
| Disputed Trade Receivables – which have significant increase in credit risk   | -               | -   | -                  | -               | -               | -                 | -                |
| Disputed Trade Receivables – credit impaired                                  | -               | -   | -                  | -               | -               | -                 | -                |
| <b>Sub Total</b>  | <b>3,228.06</b> | <b>9,527.91</b>   | <b>10,047.91</b>   | <b>2,345.77</b> | <b>4,174.74</b> | <b>667.53</b>     | <b>29,991.92</b> |
| ECL %   | <b>1.89</b>     | <b>2.85</b>   | <b>3.14</b>        | <b>11.05</b>    | <b>17.47</b>    | <b>25.74</b>      |                  |
| Less: Provision for Expected Credit Loss                                      | 61.15           | 271.69  | 315.22             | 259.30          | 729.40          | 171.84            | 1,808.61         |
| <b>Total</b>  | <b>3,166.91</b> | <b>9,256.22</b>   | <b>9,732.69</b>    | <b>2,086.47</b> | <b>3,445.34</b> | <b>495.69</b>     | <b>28,183.31</b> |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 10 Trade Receivables (Contd..)

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                                  | -               | -   | -                  | -               | -               | -                 | -                |
| <b>Sub Total</b>  | <b>3,543.91</b> | <b>7,460.95</b>   | <b>1,740.97</b>    | <b>5,026.67</b> | <b>1,219.24</b> | <b>466.30</b>     | <b>19,458.04</b> |
| Less: Provision for Credit Impaired   | -               | -   | -                  | -               | -               | 6.97              | 6.97             |
| <b>Net Trade Receivables</b>  | <b>3,543.91</b> | <b>7,460.95</b>   | <b>1740.97</b>     | <b>5026.67</b>  | <b>1219.24</b>  | <b>459.33</b>     | <b>19,451.07</b> |
| ECL %   | 2.33            | 2.71  | 1.90               | 13.40           | 22.01           | 38.97             |                  |
| Less: Provision for Expected Credit Loss                                      | 82.57           | 202.01  | 33.04              | 673.41          | 268.30          | 178.99            | 1,438.33         |
| <b>Total</b>  | <b>3,461.34</b> | <b>7,258.94</b>   | <b>1,707.93</b>    | <b>4,353.26</b> | <b>950.94</b>   | <b>280.34</b>     | <b>18,012.74</b> |

**10.3** The average credit period on sales of products / services is 0-90 days. No interest is charged on any overdue trade receivables.

## Note: 11 Cash and Cash Equivalents

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| <b>Cash and Cash Equivalents</b>                     |                         |                         |
| Balances with Banks in Current/ Cash Credit Accounts | 2,979.04                | 138.65                  |
| Cash in hand   | 11.87                   | 8.11                    |
| <b>Total</b>   | <b>2,990.91</b>         | <b>146.76</b>           |

**11.1 For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents comprise the following:**

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Balances with Banks in Current/ Cash Credit Accounts | 2,979.04                | 138.65                  |
| Cash on hand   | 11.87                   | 8.11                    |
| <b>Total</b>   | <b>2,990.91</b>         | <b>146.76</b>           |

## Note: 12 Bank Balances Other Than Cash And Cash Equivalents

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Balances with Bank in Monitoring Agency & Escrow Account | 45.85                   | 0.16                    |
| Fixed Deposits with Banks                                |                         |                         |
| - Uncumbered   | 3,986.61                | -                       |
| - Temporary deposits of QIP Proceeds                     | 500.00                  | -                       |
| - Fixed Deposits with Banks Pledged as Margin Money      | 2,914.28                | 722.94                  |
| <b>Total</b>   | <b>7,446.74</b>         | <b>723.10</b>           |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 13 Loans

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| (Unsecured, Considered Good)                        |                         |                         |
| Intercorporate Deposits                             |                         |                         |
| - Subsidiary Companies (Refer Note No. 13.1 and 36) | 630.00                  | 1,885.00                |
| - Other Related Party                               | -                       | 280.00                  |
| - Others (Refer Note No. 13.1)                      | 1,165.00                | 100.00                  |
| Loans to Employees                                  | 21.44                   | 15.73                   |
| <b>Total</b>  | <b>1,816.44</b>         | <b>2,280.73</b>         |

**13.1** Above Intercorporate deposits are given for Working Capital Requirements

## Note: 14 Other Current Financial Assets

| Particulars                    | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------|-------------------------|-------------------------|
| ( Unsecured, Considered Good ) |                         |                         |
| Unbilled Revenue               | 97.77                   | -                       |
| Interest Receivables#          | 90.94                   | 80.67                   |
| Security Deposits              | 28.96                   | 50.34                   |
| Other Receivables              | 44.35                   | 77.13                   |
| <b>Total</b>                   | <b>262.02</b>           | <b>208.14</b>           |

# ₹ 70.32 Lakhs receivables from Related Parties (Refer Note No. 36)

## Note: 15 Other Current Assets

| Particulars                            | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Advances to Suppliers, Considered Good | 1,903.08                | 1,856.11                |
| Balances with Government Authorities   | 1.10                    | 364.74                  |
| Export Incentive Receivables           | 2.62                    | 5.19                    |
| Prepaid Expenses                       | 249.12                  | 151.47                  |
| Others *                               | 6.28                    | 0.47                    |
| <b>Total</b>                           | <b>2,162.20</b>         | <b>2,377.98</b>         |

\* Others includes Export scripts in hand and advance for expenses

## Note: 16 Equity Share Capital

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| <b>Authorised</b>  |                         |                         |
| 6,05,00,000 (March 31, 2024 : 6,05,00,000) Equity Shares of ₹10/- each.              | 6,050.00                | 6,050.00                |
| <b>Issued, Subscribed and Paid up</b>  |                         |                         |
| 4,02,93,665 (March 31, 2024 : 3,90,00,061) Equity Shares of ₹10/- each fully paid up | 4,029.37                | 3,900.00                |
| <b>Total</b>   | <b>4,029.37</b>         | <b>3,900.00</b>         |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 16 Equity Share Capital (Contd..)

### 16.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year:

| Particulars  | As at March 31, 2025 |                 | As at March 31, 2024 |                 |
|--|----------------------|-----------------|----------------------|-----------------|
|  | No. of Shares        | Amount          | No. of Shares        | Amount          |
| Shares outstanding at the beginning of the year        | 3,90,00,061          | 3,900.00        | 3,90,00,061          | 3,900.00        |
| Add: Issue during the year (QIP) (Refer Note no. 16.2) | 12,93,604            | 129.37          | -                    | -               |
| <b>Shares outstanding at the end of the year</b>       | <b>4,02,93,665</b>   | <b>4,029.37</b> | <b>3,90,00,061</b>   | <b>3,900.00</b> |

**16.2** During the year, the Company made Qualified Institutional Placement (QIP), whereby 12,93,604 Equity Shares of the face value of ₹ 10/- each were allotted to the Qualified Institutional Buyers at a premium of ₹ 1,035 per share aggregating to ₹ 13,518.16 Lakhs for QIP related expenses, funding Working Capital requirements and general corporate purposes. Out of the above QIP proceeds, ₹ 12,972.50 Lakhs have been utilised for the above purpose and un-utilised amount have been temporarily invested in term deposits or lying with monitoring agency account.

### 16.3 Details of Shareholder holding more than 5% shares of the Company:

| Name of Shareholders   | As at March 31, 2025 |                 | As at March 31, 2024 |                 |
|------------------------|----------------------|-----------------|----------------------|-----------------|
|                        | No of Shares held    | Percentage held | No of Shares held    | Percentage held |
| Mr. Munjal Sharad Shah | 98,58,137            | 24.47%          | 98,58,137            | 25.28%          |
| Mr. Sharad Virji Shah  | 72,74,840            | 18.05%          | 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, 2025 |                    | As at March 31, 2024 |                    | % Change<br>during the year |
|----------------------------|----------------------|--------------------|----------------------|--------------------|-----------------------------|
|                            | No of<br>Shares held | Percentage<br>held | No of<br>Shares held | Percentage<br>held |                             |
| Mr. Munjal Sharad Shah     | 98,58,137            | 24.47%             | 98,58,137            | 25.28%             | -0.81%                      |
| Mr. Sharad Virji Shah      | 72,74,840            | 18.05%             | 72,74,840            | 18.65%             | -0.60%                      |
| Mrs. Ami Munjal Shah       | 10,13,008            | 2.51%              | 10,13,008            | 2.60%              | -0.08%                      |
| Mr. Anish Hemant Mehta     | 14,20,630            | 3.53%              | 14,20,630            | 3.64%              | -0.12%                      |
| Mrs. Kaajal Harsh Bhansali | 14,20,630            | 3.53%              | 14,20,630            | 3.64%              | -0.12%                      |
| Ms. Anushka Munjal Shah    | 10,00,000            | 2.48%              | 10,00,000            | 2.56%              | -0.08%                      |
| Ms. Jiwanshi Munjal Shah   | 10,00,000            | 2.48%              | 10,00,000            | 2.56%              | -0.08%                      |
| Mrs. Niranjana Sharad Shah | 5                    | 0.00%              | 5                    | 0.00%              | 0.00%                       |

### 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** Under Paras Defence and Space Technologies Limited - Employee Stock Option Plan 2024, 7,95,000 options have been approved by the shareholders and out of this 78,450 (as at 31<sup>st</sup> March 2024 Nil) options have been granted (Refer Note No. 41)

**16.7** Subsequent to year end, the Board of Director at their meeting held on April 30, 2025 proposes, sub-division/split of the existing equity shares of face value of ₹ 10/- fully paid up into two equity shares of face value of ₹ 5/- fully paidup subject to shareholders' approval.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## 16.8 Dividend paid and proposed

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| Dividend declared and paid  | -                       | -                       |
| <b>Proposed Dividend</b>  |                         |                         |
| Dividend proposed for the year ended on March 31, 2025 at ₹ 0.50 per share (face value of ₹ 5/- each (post completion of the Sub-division /Split of equity shares)) | 402.94                  | -                       |

Proposed Dividends on equity shares are subject to approval at the annual general meeting and not recognised as a liability as at March 31, 2025

## Note: 17 Other Equity

| Particulars   | As at March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| <b>Capital Reserve</b>  |                      |                      |
| Balance as per last Balance Sheet   | (808.36)             | (808.36)             |
| <b>Securities Premium</b>   |                      |                      |
| Balance as per last Balance Sheet   | 17,764.39            | 17,799.78            |
| Add: Issue of Equity Share Capital (QIP) (Refer Note no. 16.2)                | 13,388.80            | -                    |
| Less: Expenses related to issue of Equity Share Capital (QIP) (Net of Taxes)* | (293.75)             | -                    |
| Less: Reversal of Deferred Tax (IPO related Expenses)                         | (35.39)              | (35.39)              |
|   | <b>30,824.05</b>     | 17,764.39            |
| <b>Revaluation Reserve</b>  |                      |                      |
| Balance as per last Balance Sheet   | <b>4,183.09</b>      | <b>4,183.09</b>      |
| <b>General Reserve</b>  |                      |                      |
| Balance as per last Balance Sheet   | <b>11.92</b>         | <b>11.92</b>         |
| <b>Retained Earnings</b>  |                      |                      |
| Balance as per last Balance Sheet   | 19,611.53            | 16,188.03            |
| Add: Profit after tax for the Year  | 6,506.92             | 3,423.50             |
|   | <b>26,118.45</b>     | <b>19,611.53</b>     |
| <b>Share Based payments</b>   |                      |                      |
| Balance as per last Balance Sheet   | -                    | -                    |
| Add: Share Based Payments (Refer Note No. 41)                                 | 24.99                | -                    |
|   | <b>24.99</b>         | -                    |
| <b>Other Comprehensive Income ( OCI )</b>                                     |                      |                      |
| Balance as per last Balance Sheet   | 2.27                 | 38.54                |
| Add: Movement in OCI (Net) during the Year                                    | (38.92)              | (36.27)              |
|   | <b>(36.65)</b>       | <b>2.27</b>          |
| <b>Total</b>  | <b>60,317.49</b>     | <b>40,764.84</b>     |

\* Include Rs. 25.00 lakhs paid to auditor (previous year Rs. Nil)

### 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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 17 Other Equity(Contd..)

### 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.

### Share Based payments

Share based payment reserve is created against Paras Defence and Space Technologies Limited - Employee Stock Option Plan 2024 and will be utilised against exercise of the option by the employees on issuance of the Equity Shares.

### Other Comprehensive Income

Other Comprehensive Income (OCI) represents the amount recognised in other equity consequent to remeasurement of Defined Benefit Plan.

## Note: 18 Non Current Borrowings

| Particulars       | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------|-------------------------|-------------------------|
| <b>Secured</b>    |                         |                         |
| <b>Term Loans</b> |                         |                         |
| - From Bank       | -                       | 27.54                   |
| <b>Total</b>      | <b>-</b>                | <b>27.54</b>            |

**18.1** The above term loan of ₹ NIL (March 31, 2024 : ₹ 27.54 lakhs) and ₹ NIL (March 31, 2024 : ₹ 4.98 lakhs ) included in current maturity of long Term Debts in Note No. 22 was secured against lien on respective vehicles.

**18.2** During the year, the company has pre- closed and repaid all the Non- current borrowings including current maturities to the bank.

## Note: 19 Lease Liabilities

| Particulars               | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---------------------------|-------------------------|-------------------------|
| <b>Lease Liabilities:</b> |                         |                         |
| Non-current               | 40.42                   | 85.13                   |
| Current                   | 52.76                   | 34.48                   |
| <b>Total</b>              | <b>93.18</b>            | <b>119.61</b>           |

**19.1** The balance sheet shows the following amounts relating to leases:

| Particulars                                   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <b>Right-of-use assets (included in PPE):</b> |                         |                         |
| Office Premises                               | 75.88                   | 118.04                  |
| <b>Total</b>                                  | <b>75.88</b>            | <b>118.04</b>           |

Additions to the Right-of-Use assets during the year ended March 31, 2025 were ₹ NIL (March 31, 2024: ₹ 126.84 Lakhs).

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 19 Lease Liabilities (Contd..)

### 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<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------|-------------------------|-------------------------|
| <b>Depreciation charge of right-of-use assets</b> |       |                         |                         |
| Office Premises                                   | 2     | 42.16                   | 8.80                    |
| <b>Total</b>                                      |       | <b>42.16</b>            | <b>8.80</b>             |

| Particulars   | Notes | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------|-------------------------|-------------------------|
| Interest expense (included in finance costs)                        | 31    | 9.80                    | 2.72                    |
| Expense relating to short-term leases (included in other expenses)* | 33    | 68.06                   | 80.93                   |

\* Short term leases, the Company recognised the lease payments as operational expenses on a straight line basis over the lease term.

The cash outflow for the leases for the year ended March 31, 2025 was ₹ 36.23 Lakhs (March 31, 2024 : ₹ NIL)

### 19.3 The following is the movement in lease liabilities during the year :

| Particulars                          | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------------|-------------------------|-------------------------|
| Opening Balance                      | 119.61                  | -                       |
| Addition during the year             | -                       | 116.89                  |
| Finance cost accrued during the year | 9.80                    | 2.72                    |
| Payment of lease liabilities         | 36.23                   | -                       |
| <b>Closing Balance</b>               | <b>93.18</b>            | <b>119.61</b>           |

### 19.4 The following is the contractual maturity profile of lease liabilities:

| Particulars            | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------|-------------------------|-------------------------|
| Less than one year     | 58.77                   | 44.28                   |
| One year to five years | 42.08                   | 92.80                   |
| More than five years   | -                       | -                       |
| <b>Closing Balance</b> | <b>100.85</b>           | <b>137.08</b>           |

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<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Provision for Gratuity (Refer Note No. 30.1) | 406.55                  | 301.58                  |
| <b>Total</b>                                 | <b>406.55</b>           | <b>301.58</b>           |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 21 Income Tax

### 21.1 Current Tax Liability (Net)

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <b>Opening Balance at the beginning of the year</b> | 843.04                  | 779.05                  |
| Current Tax for the year                            | 2,269.94                | 1,250.58                |
| Add: Tax Paid                                       | (1,741.76)              | (1,075.00)              |
| Income tax of the earlier year                      | -                       | (111.59)                |
| <b>Total Current Tax Liability (Net)</b>            | <b>1,371.22</b>         | <b>843.04</b>           |

### 21.2 Current Tax

| Particulars                  | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|------------------------------|--------------------------------------|--------------------------------------|
| Current Tax                  | 2,269.94                             | 1,250.58                             |
| Income Tax for Earlier Years | -                                    | (111.59)                             |
| <b>Total</b>                 | <b>2,269.94</b>                      | <b>1,138.99</b>                      |

### 21.3 The major components of Tax Expense for the year ended March 31, 2025 & March 31, 2024 are as follows:

| Particulars   | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>Recognised in the Standalone Statement of Profit and Loss</b>            |                                      |                                      |
| Current Tax (Refer Note No. 21.2)   | 2,269.94                             | 1,138.99                             |
| Deferred Tax:-Relating to origination and reversal of temporary differences | (96.03)                              | (100.21)                             |
| <b>Total</b>  | <b>2,173.91</b>                      | <b>1,038.78</b>                      |

### 21.4 Reconciliation between Tax Expense and Accounting Profit multiplied by tax rate for the year ended March 31, 2025 & March 31, 2024:

| Particulars  | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Accounting Profit Before Tax   | 8,680.83                             | 4,462.28                             |
| <b>Applicable tax rate (in %)</b>  | <b>25.17%</b>                        | <b>25.17%</b>                        |
| Computed Tax Expenses  | 2,184.79                             | 1,123.07                             |
| <b>Tax effect on account of:</b>   |                                      |                                      |
| Property, Plant and Equipment, Intangible Assets and Assets Held for Sale            | -                                    | 29.96                                |
| Expenses not allowed under Income Tax Act  | (3.61)                               | 35.75                                |
| Deduction allowed under Income Tax Act   | (7.27)                               | (38.41)                              |
| Income Tax for Earlier Years   | -                                    | (111.59)                             |
| <b>Income tax Expenses recognised in the Standalone Statement of Profit and Loss</b> | <b>2,173.91</b>                      | <b>1,038.78</b>                      |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 21 Income Tax (Contd..)

21.5 Deferred Tax Liabilities / (Assets) relates to the following :

| Particulars  | Balance Sheet           |                         | Statement of Profit and Loss and Other Equity |                                      |
|--|-------------------------|-------------------------|---|--------------------------------------|
|  | As at<br>March 31, 2025 | As at<br>March 31, 2024 | For the Year ended<br>March 31, 2025          | For the Year ended<br>March 31, 2024 |
| Property, Plant and Equipment, Intangible Assets, Assets Held for Sale and Investment Property | 2,385.80                | 2,419.28                | (33.48)                                       | 2.92                                 |
| Financial Instrument-assets  | (198.60)                | (122.89)                | (75.71)                                       | (6.02)                               |
| Lease Liabilities  | (23.45)                 | (30.10)                 | 6.65  | (30.10)                              |
| IPO issue expenses   | (35.38)                 | (70.76)                 | 35.38   | 35.39                                |
| QIP issue expenses   | (74.05)                 | -                       | (74.05)                                       | -                                    |
| Items disallowed as per Income Tax Act, 1961   | (162.07)                | (155.49)                | (6.58)  | (79.21)                              |
| <b>Deferred Tax Liabilities / (Assets)</b>   | <b>1,892.25</b>         | <b>2,040.04</b>         | <b>(147.79)</b>                               | <b>(77.02)</b>                       |

## 21.6 Reconciliation of Deferred Tax Liabilities (Net):

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <b>Opening Balance at the beginning of the year</b>                           | 2,040.04                | 2,117.06                |
| Deferred Tax Income recognised in the Standalone Statement of Profit and Loss | (96.03)                 | (100.21)                |
| Deferred Tax Income recognised in OCI   | (13.09)                 | (12.20)                 |
| Deferred Tax (Income) / Expenses recognised in Securities Premium             | (38.67)                 | 35.39                   |
| <b>Closing Balance at the end of the year</b>                                 | <b>1,892.25</b>         | <b>2,040.04</b>         |

## Note: 22 Current Financial Liabilities - Borrowings

| Particulars                                | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| <b>Secured</b>                             |                         |                         |
| Working Capital Rupee Loans from Banks     | -                       | 3,356.28                |
| Current Maturities of Long Term Borrowings | -                       | 4.98                    |
| <b>Total</b>                               | <b>-</b>                | <b>3,361.26</b>         |

### 22.1 The working capital loans from banks includes:

- (i) ₹ NIL (March 31, 2024: ₹ 1,385.15 lakhs) 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, 13<sup>th</sup> & 14<sup>th</sup> 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.
- (ii) ₹ NIL (March 31, 2024: ₹ 1,782.86 lakhs) 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, 13<sup>th</sup> & 14<sup>th</sup> 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.
- (iii) ₹ NIL (March 31, 2024: ₹ 188.27 lakhs) 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.

22.2 The Working Capital Rupee loans referred to above are guaranteed by Managing Director of the company.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 23 Trade Payables

| Particulars                         | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------------|-------------------------|-------------------------|
| Micro, Small and Medium Enterprises | 2,109.58                | 1,018.80                |
| Others                              | 3,079.42                | 4,783.48                |
| <b>Total</b>                        | <b>5,189.00</b>         | <b>5,802.28</b>         |

### 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<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year   | 2,109.58                | 1,018.80                |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year  | 24.05                   | 11.67                   |
| (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  | 24.05                   | 11.67                   |
| (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 | -                       | -                       |

### 23.2 Trade Payables Ageing Schedules are as follows:

#### As at March 31, 2025

| Particulars       | Not due         | Outstanding from due date of payment as at March 31, 2025 |               |               |                      | Total           |
|-------------------|-----------------|---|---------------|---------------|----------------------|-----------------|
|                   |                 | Less than<br>1 Year                                       | 1-2 Years     | 2-3 years     | More than<br>3 years |                 |
| MSME              | 1,785.12        | 317.93  | 6.53          | -             | -                    | 2,109.58        |
| Others            | 882.10          | 1,507.95  | 535.27        | 143.73        | 10.37                | 3,079.42        |
| Disputed - MSME   | -               | -   | -             | -             | -                    | -               |
| Disputed - Others | -               | -   | -             | -             | -                    | -               |
| <b>Total</b>      | <b>2,667.22</b> | <b>1,825.88</b>   | <b>541.80</b> | <b>143.73</b> | <b>10.37</b>         | <b>5,189.00</b> |

#### As at March 31, 2024

| Particulars       | Not due         | Outstanding from due date of payment as at March 31, 2024 |               |              |                      | Total           |
|-------------------|-----------------|---|---------------|--------------|----------------------|-----------------|
|                   |                 | Less than<br>1 Year                                       | 1-2 Years     | 2-3 years    | More than<br>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 | -               | -   | -             | -            | -                    | -               |
| <b>Total</b>      | <b>2,163.57</b> | <b>3,377.75</b>   | <b>176.62</b> | <b>78.56</b> | <b>5.78</b>          | <b>5,802.28</b> |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 24 Other Current Financial Liabilities

| Particulars                  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------------|-------------------------|-------------------------|
| Interest Accrued and due     | 123.98                  | 11.67                   |
| Interest Accrued but not due | 5.07                    | 63.34                   |
| Creditors for Capital Goods  | 60.06                   | 134.65                  |
| Security Deposit             | 23.45                   | 7.60                    |
| Other Payables *             | 413.55                  | 302.00                  |
| <b>Total</b>                 | <b>626.11</b>           | <b>519.26</b>           |

\* Other Payables mainly includes outstanding liability for expenses and payable to employees.

## Note: 25 Other Current Liabilities

| Particulars                          | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------------|-------------------------|-------------------------|
| Advances from Customers              | 8,515.18                | 2,975.21                |
| Statutory Liabilities                | 167.94                  | 37.89                   |
| Unearned Revenue                     | 413.48                  | 83.26                   |
| Advance against Assets held for Sale | 50.00                   | -                       |
| <b>Total</b>                         | <b>9,146.60</b>         | <b>3,096.36</b>         |

## Note: 26 Current Provision

| Particulars                                  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Provision for Gratuity (Refer Note No. 30.1) | 25.00                   | 15.00                   |
| <b>Total</b>                                 | <b>25.00</b>            | <b>15.00</b>            |

## Note: 27 Revenue From Operations

| Particulars                        | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|------------------------------------|--------------------------------------|--------------------------------------|
| Sale of Products                   | 33,157.09                            | 20,689.02                            |
| Sale of Services / Job Work Income | 222.75                               | 2,550.20                             |
| Other Operating revenue            | 5.57                                 | 4.23                                 |
| <b>Total</b>                       | <b>33,385.41</b>                     | <b>23,243.45</b>                     |

### 27.1 Revenue Disaggregation by type of Products and Services as follows :

| Particulars                 | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|-----------------------------|--------------------------------------|--------------------------------------|
| Optics and Optronic Systems | 17,737.00                            | 6,939.18                             |
| Defence Engineering         | 15,648.41                            | 16,304.27                            |
| <b>Total</b>                | <b>33,385.41</b>                     | <b>23,243.45</b>                     |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 27 Revenue From Operations (Contd..)

### 27.2 Revenue disaggregation by geography is as follows:

| Particulars   | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---------------|--------------------------------------|--------------------------------------|
| India         | 29,297.80                            | 19,985.18                            |
| Outside India | 4,087.61                             | 3,258.27                             |
| <b>Total</b>  | <b>33,385.41</b>                     | <b>23,243.45</b>                     |

### 27.3 Contract balances

| Particulars   | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Trade Receivables (Refer Note no. 10)                 | 28,183.31                            | 18,012.74                            |
| Contract Assets/ Unbilled Revenue (Refer Note No. 14) | 97.77                                | -                                    |
| Contract Liabilities (Refer Note No. 25)              | 8,515.18                             | 2,975.21                             |
| Unearned Revenue (Refer Note No. 25)                  | 413.48                               | 83.26                                |
| <b>Total</b>  | <b>37,209.74</b>                     | <b>21,071.21</b>                     |

**27.4** The amount of ₹ 1882.27 lakhs (March 31,2024 : ₹ 2,705.36 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<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Contract Price   | 33,385.41                            | 23,249.83                            |
| Reduction towards variable considerations components * | -                                    | 6.38                                 |
| <b>Total</b>   | <b>33,385.41</b>                     | <b>23,243.45</b>                     |

\*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, 2025 amounts to ₹ 5462.02 Lakhs (March 31,2024 : ₹ 1,988.12 Lakhs).

**27.7** The management of company expects that above unsatisfied performance obligation will be fully recognised as revenue during the next reporting year.

## Note: 28 Other Income

| Particulars   | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Dividend Income from Non Current Investment                                 | 1.75                                 | 0.35                                 |
| Interest Income from Financial assets measured at amortised cost            |                                      |                                      |
| - Fixed Deposits with Banks   | 299.24                               | 150.03                               |
| - Interest on loans   | 316.33                               | 219.93                               |
| - Others  | 6.67                                 | 4.22                                 |
| Lease Rent  | 87.50                                | 50.09                                |
| Export Incentives   | 28.30                                | 14.40                                |
| Gain on Financial Instruments measured at fair value through profit or loss | 189.69                               | 475.46                               |
| Profit on sale of Investment  | 149.00                               | -                                    |
| Profit on sale/ discard of Property, Plant and Equipment                    | -                                    | 1.21                                 |
| Corporate Guarantee Commission (Refer Note No. 36)                          | 28.26                                | 16.29                                |
| Miscellaneous Income  | 78.89                                | 2.02                                 |
| <b>Total</b>  | <b>1,185.63</b>                      | <b>934.00</b>                        |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 29 Changes in Inventories of Finished Goods and Work-In-Progress

| Particulars                                 | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>Closing Inventories</b>                  |                                      |                                      |
| Finished Goods                              | 6.86                                 | 16.01                                |
| Finished Goods-in Transit                   | -                                    | 0.86                                 |
| Work-in-Progress                            | 7,638.89                             | 8,111.55                             |
|   | <b>7,645.75</b>                      | <b>8,128.42</b>                      |
| <b>Opening Inventories</b>                  |                                      |                                      |
| Finished Goods                              | 16.01                                | 12.77                                |
| Finished Goods-in Transit                   | 0.86                                 | -                                    |
| Work-in-Progress                            | 8,111.55                             | 5,558.43                             |
|   | <b>8,128.42</b>                      | <b>5,571.20</b>                      |
| <b>Increase / (Decrease) in Inventories</b> | <b>482.67</b>                        | <b>(2,557.22)</b>                    |

## Note: 30 Employee Benefits Expenses

| Particulars                                      | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Salaries, Wages and Allowances                   | 3,081.86                             | 2,528.61                             |
| Contribution to Provident and Other Funds        | 107.33                               | 84.73                                |
| Employee Share Based Payment (Refer note no. 41) | 24.99                                | -                                    |
| Welfare and Other Amenities                      | 123.49                               | 114.70                               |
| <b>Total</b>                                     | <b>3,337.67</b>                      | <b>2,728.04</b>                      |

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<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>(a) Contribution to Defined Contribution Plan, recognised as expense for the year are as under</b> |                                      |                                      |
| Employer's Contribution to Provident Fund and ESIC  | 42.48                                | 31.81                                |

### (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<br>March 31, 2025                            | As at<br>March 31, 2024                            |
| <b>Actuarial Assumptions</b> |  |  |
| Mortality Table              | Indian Assured Lives<br>Mortality (2012-14)<br>Ult | Indian Assured Lives<br>Mortality (2012-14)<br>Ult |
| Salary growth                | 9.00%  | 9.00%  |
| Discount rate                | 6.59%  | 7.19%  |
| Withdrawal Rate              | 15.00%   | 11.00%   |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 30 Employee Benefits Expenses (Contd..)

| Particulars   | Gratuity (Funded)       |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
| <b>Movement in present value of Defined Benefit Obligation</b>    |                         |                         |
| Defined Benefit Obligations at the beginning of the year          | 348.52                  | 250.51                  |
| Current Service Cost  | 41.39                   | 35.98                   |
| Interest Cost   | 25.06                   | 18.52                   |
| Actuarial Loss  | 51.57                   | 48.47                   |
| Benefits Paid   | (10.14)                 | (4.96)                  |
| Liability Transferred In/ Acquisitions                            | -                       | -                       |
| <b>Defined Benefit Obligations at the end of the year</b>         | <b>456.40</b>           | <b>348.52</b>           |
| <b>Movement in present value of plan assets</b>                   |                         |                         |
| Fair value at the beginning of the year                           | 31.94                   | 25.10                   |
| Employer Contribution   | 1.20                    | 9.93                    |
| Interest Income   | 2.30                    | 1.85                    |
| Benefits Paid   | (10.15)                 | (4.96)                  |
| Return on Plan Assets, Excluding Interest Income                  | (0.44)                  | 0.02                    |
| <b>Fair value at the end of the year</b>                          | <b>24.85</b>            | <b>31.94</b>            |
| <b>Expense recognised in the Statement of Profit and Loss</b>     |                         |                         |
| Current Service Cost  | 41.39                   | 35.98                   |
| Interest on Defined Benefit Obligations                           | 22.76                   | 16.67                   |
| <b>Total included in "Remuneration and Benefits to Employees"</b> | <b>64.15</b>            | <b>52.65</b>            |
| <b>Amount recognised in Other Comprehensive Income</b>            |                         |                         |
| <b>Components of Actuarial (gain)/loss on obligations</b>         |                         |                         |
| Due to changes in financial assumptions                           | 11.68                   | 3.97                    |
| Due to changes in demographic assumptions                         | (7.58)                  | -                       |
| Due to experience adjustments                                     | 47.91                   | 44.50                   |
| <b>Total</b>  | <b>52.01</b>            | <b>48.47</b>            |

### (c) Fair Value of assets

| Particulars                         | Gratuity (Funded)       |                         |
|-------------------------------------|-------------------------|-------------------------|
|                                     | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
| Life Insurance Corporation of India | 24.85                   | 31.94                   |

### (d) Net Liability recognised in balance sheet

| Particulars   | Gratuity (Funded)       |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
| Present Value of Obligations at the end of the year     | 456.40                  | 348.52                  |
| Less : Fair Value of Plan Assets at the end of the year | 24.85                   | 31.94                   |
| <b>Net Liability recognised in balance sheet</b>        | <b>431.55</b>           | <b>316.58</b>           |

(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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 30 Employee Benefits Expenses (Contd..)

### 30.2 Sensitivity Analysis

| Particulars                               | Effect on Gratuity Obligation Increase / (Decrease) |                         |
|---|---|-------------------------|
|   | As at<br>March 31, 2025                             | As at<br>March 31, 2024 |
| Discount Rate + 100 basis points          | (18.38)   | (19.12)                 |
| Discount Rate - 100 basis points          | 20.32   | 21.30                   |
| Salary Escalation Rate + 100 basis points | 16.59   | 17.71                   |
| Salary Escalation Rate - 100 basis points | (15.50)   | (16.22)                 |
| Withdrawal Rate+100 basis points          | (2.26)  | (1.63)                  |
| Withdrawal Rate-100 basis points          | 2.45  | 1.79                    |

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 Payment |
|----------------------------------|------------------|
| March 31, 2026                   | 104.45           |
| March 31, 2027                   | 55.52            |
| March 31, 2028                   | 63.03            |
| March 31, 2029                   | 44.11            |
| March 31, 2030                   | 42.86            |
| March 31, 2031 to March 31, 2035 | 164.09           |
| March 31, 2036 and above         | 171.14           |

### 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.

#### 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 5.00 years ( March 31, 2024 : 9.00 years).

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 31 Finance Costs

| Particulars   | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Interest Expenses on Financial Liabilities measured at amortised cost | 296.03                               | 220.81                               |
| Interest on Lease Liability   | 9.80                                 | 2.72                                 |
| Other Borrowing Costs (Refer Note No. 31.1)                           | 246.07                               | 161.05                               |
| <b>Total</b>  | <b>551.90</b>                        | <b>384.58</b>                        |

**31.1** Above includes Interest of ₹ 130.74 Lakhs (March 31, 2024: ₹ 54.74 Lakhs) on late payment of Advance Tax.

## Note: 32 Depreciation and Amortisation Expenses

| Particulars  | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Depreciation of Property, Plant and Equipment (Refer Note No. 2) | 1,234.94                             | 1,087.38                             |
| Depreciation of Investment Property (Refer Note No. 3)           | 93.67                                | 86.14                                |
| Amortisation of Intangible Assets (Refer Note No. 4)             | 25.71                                | 42.68                                |
| <b>Total</b>   | <b>1,354.32</b>                      | <b>1,216.20</b>                      |

## Note: 33 Other Expenses

| Particulars                               | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>MANUFACTURING EXPENSES</b>             |                                      |                                      |
| Consumables, Stores and Spares Consumed   | 529.90                               | 421.93                               |
| Power and Fuel                            | 392.57                               | 357.95                               |
| Labour Charges                            | 255.22                               | 295.29                               |
| Repairs and Maintenance - Others          | 178.90                               | 196.14                               |
| Job Processing charges                    | 666.76                               | 394.47                               |
| Design and Development Charges            | 53.73                                | 122.51                               |
| Other Manufacturing Expenses              | 264.52                               | 75.31                                |
|   | <b>2,341.60</b>                      | <b>1,863.60</b>                      |
| <b>SELLING AND DISTRIBUTION EXPENSES</b>  |                                      |                                      |
| Advertisement and Business Promotion      | 327.09                               | 257.40                               |
| Packing & Forwarding Expenses             | 30.03                                | 24.29                                |
| Freight Outward                           | 55.72                                | 39.28                                |
| Others                                    | 11.75                                | 15.04                                |
|   | <b>424.59</b>                        | <b>336.01</b>                        |
| <b>ADMINISTRATIVE EXPENSES</b>            |                                      |                                      |
| Insurance                                 | 54.55                                | 40.95                                |
| Rent                                      | 68.06                                | 80.93                                |
| Rates and Taxes                           | 93.58                                | 109.68                               |
| Printing and Stationery                   | 20.99                                | 19.14                                |
| Communication Expenses                    | 12.74                                | 10.85                                |
| Travelling and Conveyance                 | 702.97                               | 534.55                               |
| Legal and Professional Charges            | 105.81                               | 155.72                               |
| Payment to Auditors (Refer Note No. 33.1) | 72.05                                | 66.60                                |
| Security Expenses                         | 34.23                                | 33.06                                |
| Office Expenses                           | 129.84                               | 120.66                               |
| Director Sitting fees                     | 24.00                                | 24.00                                |
| Postages and Courier                      | 41.81                                | 25.96                                |
| Miscellaneous Expenses                    | 121.92                               | 124.62                               |
|   | <b>1,482.55</b>                      | <b>1,346.72</b>                      |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 33 Other Expenses (Contd..)

| Particulars   | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>OTHER EXPENSES</b>   |                                      |                                      |
| Bank Charges  | 227.85                               | 236.04                               |
| Bad Debts / Advances written off (Net)                          | 133.41                               | -                                    |
| Less: Reversal of provision                                     | 7.80                                 | 125.61                               |
| Reversal for Credit Impaired                                    | -                                    | (30.85)                              |
| Provision for Expected Credit Loss                              | 363.31                               | 522.45                               |
| Provision for Doubtful Advances                                 | -                                    | 7.80                                 |
| Donation  | 38.15                                | 50.75                                |
| Corporate Social Responsibility Expenditure (Refer Note No. 37) | 88.00                                | 69.00                                |
| Loss on sale/ discard of Property, Plant and Equipment          | 14.45                                | -                                    |
| Loss on Foreign Currency Fluctuations (Net)                     | 60.39                                | 14.91                                |
| Late Delivery charges   | 333.29                               | 30.53                                |
| <b>Total</b>  | <b>1,251.05</b>                      | <b>1,046.33</b>                      |
|   | <b>5,499.79</b>                      | <b>4,592.66</b>                      |

### 33.1 Break-up of Payment to Auditors :

| Particulars                     | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---------------------------------|--------------------------------------|--------------------------------------|
| <b>Payment to Auditors as :</b> |                                      |                                      |
| For Statutory Audit             | 41.00                                | 35.50                                |
| For Quarterly Review Fees       | 18.00                                | 16.00                                |
| For Tax Audit                   | 11.00                                | 10.50                                |
| For Certification charges       | 1.20                                 | 4.00                                 |
| For Reimbursement of Expenses   | 0.85                                 | 0.60                                 |
| <b>Total</b>                    | <b>72.05</b>                         | <b>66.60</b>                         |

## Note: 34 Earnings Per Share

| Particulars                                       | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>Basic Earnings Per Share</b>                   |                                      |                                      |
| Profit for the year                               | 6,506.92                             | 3,423.50                             |
| Weighted average number of Equity Shares (Nos.)   | 3,96,23,826                          | 3,90,00,061                          |
| Basic Earnings Per Share of ₹10/- each            | 16.42                                | 8.77                                 |
| <b>Diluted Earnings Per Share</b>                 |                                      |                                      |
| Amount available for calculation of Diluted EPS   | 6,525.62                             | 3,423.50                             |
| Weighted average number of Equity Shares (Nos.)   | 3,96,23,826                          | 3,90,00,061                          |
| Add : Potential number of Equity Shares           | -                                    | -                                    |
| No. of shares used for calculation of Diluted EPS | 3,96,23,826                          | 3,90,00,061                          |
| Diluted Earnings Per Share of ₹10/- each          | 16.42*                               | 8.77                                 |

\* As the Diluted Earnings Per Share is anti-dilutive, Basic Earnings per share has been considered as Diluted earnings per share.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 35 Contingent Liabilities and commitments

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| <b>A Contingent Liabilities</b> (to the extend not provided for)                         |                         |                         |
| Claims against the Company not acknowledged as debts                                     |                         |                         |
| <b>I Disputed Liabilities in Appeal (No Cash outflow is expected in the near future)</b> |                         |                         |
| INCOME TAX*  | 74.04                   | 86.44                   |
| Goods and Service Tax  | 15.16                   | 15.16                   |
| <b>II GUARANTEES</b>   |                         |                         |
| Guarantees given by the Company's Bankers  | 24,219.71               | 15,340.76               |
| (Bank guarantees are provided under contractual / legal obligation)                      |                         |                         |
| Corporate Guarantee given by the Company   | 1,010.00                | 3,258.00                |
| <b>III LETTER OF CREDIT OUTSTANDING</b>  |                         |                         |
| Letters of Credit opened in favour of Suppliers  | -                       | 755.84                  |
| (Cash flow is expected on receipt of material from suppliers)                            |                         |                         |
| <b>B Capital Commitments :</b>   |                         |                         |
| Estimated amount of contracts to be executed on capital account not provided for         | 1,403.64                | 994.36                  |

\*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) (till March 27, 2025)
- iii Paras Anti- Drone Technologies Private Limited
- iv OPEL Technologies PTE Ltd
- v Ayatti Innovative Private Limited
- vi Quantico Technologies Private Limited
- vii Mechtech Thermal Private Limited

#### II Associate

- i Krasny Paras Defence Technologies Private Limited
- ii Controp Paras Technologies Private Limited

#### 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 Hirenbai Sagalia (till December 13, 2023)
- vi Ms. Jajvalya Raghavan (Company Secretary) (w.e.f February 09, 2024)

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 36 Related Party Disclosures : (Contd..)

### 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
- ii Paras Green UAV Private Limited (Formerly Known as Paras Green Optics Private Limited) (w.e.f March 28, 2025)

#### A. Transactions with Related Parties :

| Nature of Transactions                 | Name of the Related Parties                    | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|--|--|--------------------------------------|--------------------------------------|
| <b>Transactions with Subsidiaries:</b> |  |                                      |                                      |
| Investment Made                        | Quantico Technologies Private Limited          | -                                    | 10.00                                |
|  | Mechtech Thermal Private Limited               | -                                    | 7.00                                 |
|  | Paras Anti- Drone Technologies Private Limited | -                                    | 55.00                                |
|  | Quantico Technologies Private Limited          | -                                    | 0.30                                 |
| Lease Rent Deposits Received           | Paras Aerospace Private Limited                | 2.25                                 | 0.75                                 |
|  | Mechtech Thermal Private Limited               | 9.00                                 | -                                    |
|  | Paras Anti-Drone Technologies Private Limited  | 3.45                                 | -                                    |
|  | Paras Green UAV Private Limited                | -                                    | 1.40                                 |
|  | Paras Anti- Drone Technologies Private Limited | 5.40                                 | 1.20                                 |
| Income - Lease Rent                    | Paras Aerospace Private Limited                | 12.00                                | 8.25                                 |
|  | Ayatti Innovative Private Limited              | 22.80                                | 25.50                                |
|  | Quantico Technologies Private Limited          | 1.20                                 | 0.30                                 |
|  | Mechtech Thermal Private Limited               | 36.00                                | 7.50                                 |
| Sale of Products                       | OPEL Technologies PTE Ltd                      | 2,989.43                             | 2,452.55                             |
|  | Mechtech Thermal Private Limited               | 0.80                                 | -                                    |
|  | Paras Anti-Drone Technologies Private Limited  | 6.65                                 | -                                    |
| Purchase of Goods                      | Mechtech Thermal Private Limited               | 10.53                                | -                                    |
|  | OPEL Technologies PTE Ltd                      | 5.63                                 | -                                    |
| Corporate Guarantee given              | Paras Aerospace Private Limited                | -                                    | 2,748.00                             |
|  | Paras Anti- Drone Technologies Private Limited | -                                    | 510.00                               |
| Corporate Guarantee Income             | Paras Anti- Drone Technologies Private Limited | 5.10                                 | 2.55                                 |
|  | Paras Aerospace Private Limited                | 20.61                                | 13.74                                |
|  | Ayatti Innovative Private Limited              | 106.50                               | 59.50                                |
|  | Paras Aerospace Private Limited                | 451.50                               | 1,798.50                             |
| Loan Given                             | Paras Anti- Drone Technologies Private Limited | 1,017.57                             | 181.00                               |
|  | Mechtech Thermal Private Limited               | 485.00                               | -                                    |
|  | Quantico Technologies Private Limited          | 1.00                                 | -                                    |
|  | Ayatti Innovative Private Limited              | 56.50                                | 30.00                                |
| Loan Repaid                            | Paras Anti- Drone Technologies Private Limited | 131.12                               | 151.00                               |
|  | Mechtech Thermal Private Limited               | 165.00                               | -                                    |
|  | Paras Aerospace Private Limited                | 1,798.50                             | -                                    |
| Loan Converted to OCPS                 | Paras Anti- Drone Technologies Private Limited | 916.44                               | -                                    |
| Interest converted into OCPS           | Paras Anti- Drone Technologies Private Limited | 36.01                                | -                                    |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(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<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---|---|--------------------------------------|--------------------------------------|
| Interest on Loan Given                          | Ayatti Innovative Private Limited                 | 19.06                                | 16.40                                |
|   | Paras Aerospace Private Limited                   | 212.21                               | 58.50                                |
|   | Paras Anti- Drone Technologies Private Limited    | 45.16                                | 0.92                                 |
|   | Mechtech Thermal Private Limited                  | 28.06                                | -                                    |
|   | Quantico Technologies Private Limited             | 0.01                                 | -                                    |
| LD Charges                                      | OPEL Technologies PTE Ltd                         | 65.92                                | -                                    |
| <b>Transactions with Associates:</b>            |   |                                      |                                      |
| Purchase of Investment                          | Controp Paras Technologies Private Limited        | -                                    | 0.30                                 |
| Lease Rent Deposits                             | Controp Paras Technologies Private Limited        | -                                    | 0.30                                 |
| Lease Rent Deposit Repaid                       | Krasny Paras Defence Technologies Private Limited | 0.75                                 | -                                    |
| Income - Lease Rent                             | Controp Paras Technologies Private Limited        | 1.20                                 | 0.30                                 |
|   | Krasny Paras Defence Technologies Private Limited | -                                    | 2.64                                 |
| Loan Given                                      | Controp Paras Technologies Private Limited        | 11.70                                | -                                    |
| Loan Repaid                                     | Controp Paras Technologies Private Limited        | 11.70                                | -                                    |
| Interest on Loan Given                          | Controp Paras Technologies Private Limited        | 0.29                                 | -                                    |
| <b>Transactions with other Related Parties:</b> |   |                                      |                                      |
| Lease Rent Deposits Received                    |   | 0.90                                 | -                                    |
| Income - Lease Rent                             |   | 3.20                                 | -                                    |
| Corporate Guarantee given                       |   | 500.00                               | -                                    |
| Corporate Guarantee Income                      | Paras Green UAV Private Limited                   | 2.55                                 | -                                    |
| Loan Given                                      |   | 20.15                                | -                                    |
| Loan repaid                                     |   | 20.15                                | -                                    |
| Interest on Loan Given                          |   | 0.73                                 | -                                    |
| Director Sitting Fees                           | Mr. Sharad Shah                                   | 6.00                                 | 6.00                                 |
|   | Mr. Munjal Sharad Shah                            | 84.00                                | 84.00                                |
|   | Mrs. Shilpa Amit Mahajan                          | 38.70                                | 38.36                                |
| Managerial Remuneration                         | Mr. Harsh Bhansali                                | 60.73                                | 48.00                                |
|   | Mr. Hemalkumar Hirenbai Sagalia                   | -                                    | 12.53                                |
|   | Ms. Jajvalya Raghavan                             | 22.77                                | 4.34                                 |
|   | Mrs. Kaajal Bhansali                              | 36.00                                | 36.00                                |
| Salary to relatives                             | Mrs. Ami Munjal Shah                              | 60.00                                | 60.00                                |
|   | Mr. Amit Mahajan                                  | 60.73                                | 48.00                                |
|   | Mr. Anish Mehta                                   | 55.10                                | 36.00                                |
| Rent Expense                                    | Mr. Munjal Sharad Shah                            | 4.00                                 | 6.00                                 |
| Income - Lease Rent                             |   | 3.00                                 | 3.00                                 |
| Purchase of Goods                               |   | 230.87                               | 3.04                                 |
| Loans Given                                     | Defspace Technologies Private Limited             | -                                    | 855.00                               |
| Loans Repaid                                    |   | 280.00                               | 575.00                               |
| Interest on Loan Given                          |   | 4.78                                 | 62.79                                |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 36 Related Party Disclosures : (Contd..)

### B. Balances with Related Parties:

| Name of the Related Parties                              | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| <b>Balances with Subsidiary Companies:</b>               |                         |                         |
| <b>Investment</b>  |                         |                         |
| Paras Aerospace Private Limited                          | 60.60                   | 60.60                   |
| Paras Green UAV Private Limited                          | -                       | 1.00                    |
| Paras Anti- Drone Technologies Private Limited           | 55.55                   | 55.55                   |
| OPEL Technologies PTE Ltd                                | 0.05                    | 0.05                    |
| Ayatti Innovative Private Limited                        | -                       | 699.20                  |
| Mechtech Thermal Private Limited                         | 7.00                    | 7.00                    |
| Quantico Technologies Private Limited                    | 10.00                   | 10.00                   |
| <b>Assets held for Sale</b>                              |                         |                         |
| Ayatti Innovative Private Limited                        | 699.20                  | -                       |
| <b>Investment in OCPS</b>                                |                         |                         |
| Paras Anti- Drone Technologies Private Limited           | 952.45                  | -                       |
| <b>Lease Rent Receivables</b>                            |                         |                         |
| Mechtech Thermal Private Limited                         | -                       | 8.10                    |
| Paras Aerospace Private Limited                          | -                       | 5.24                    |
| Ayatti Innovative Private Limited                        | -                       | 15.54                   |
| <b>Corporate Guarantee Commission receivables</b>        |                         |                         |
| Paras Aerospace Private Limited                          | -                       | 13.74                   |
| Paras Anti-Drone Technologies Private Limited            | -                       | 2.55                    |
| <b>Interest receivables</b>                              |                         |                         |
| Paras Aerospace Private Limited                          | 37.64                   | 47.41                   |
| Paras Anti-Drone Technologies Private Limited            | -                       | 0.19                    |
| Ayatti Innovative Private Limited                        | 13.14                   | -                       |
| Mechtech Thermal Private Limited                         | 19.54                   | -                       |
| <b>Trade Receivables</b>                                 |                         |                         |
| OPEL Technologies PTE Ltd                                | 1,268.63                | 1,089.07                |
| <b>Trade Payable</b>                                     |                         |                         |
| Paras Anti-Drone Technologies Private Limited            | 7.85                    | -                       |
| <b>Advance to Supplier</b>                               |                         |                         |
| OPEL Technologies PTE Ltd                                | 39.02                   | -                       |
| <b>Security Deposits (Current Financial Liabilities)</b> |                         |                         |
| Ayatti Innovative Private Limited                        | 5.00                    | 5.00                    |
| Quantico Technologies Private Limited                    | 0.30                    | 0.30                    |
| Paras Aerospace Private Limited                          | 3.00                    | 0.75                    |
| Mechtech Thermal Private Limited                         | 9.00                    | -                       |
| Paras Anti-Drone Technologies Private Limited            | 3.45                    | -                       |
| <b>Intercorporate Deposits Given</b>                     |                         |                         |
| Ayatti Innovative Private Limited                        | 199.50                  | 149.50                  |
| Paras Aerospace Private Limited                          | 451.50                  | 1,798.50                |
| Paras Anti- Drone Technologies Private Limited           | -                       | 30.00                   |
| Mechtech Thermal Private Limited                         | 320.00                  | -                       |
| Quantico Technologies Private Limited                    | 1.00                    | -                       |
| <b>Corporate Guarantee Given</b>                         |                         |                         |
| Paras Aerospace Private Limited                          | -                       | 2,748.00                |
| Paras Anti- Drone Technologies Private Limited           | 510.00                  | 510.00                  |
| <b>Balances with Associate Companies:</b>                |                         |                         |
| <b>Investment</b>  |                         |                         |
| Krasny Paras Defence Technologies Private Limited        | 52.25                   | 52.25                   |
| Controp Paras Technologies Private Limited               | 0.30                    | 0.30                    |
| <b>Lease rent receivable</b>                             |                         |                         |
| Krasny Paras Defence Technologies Private Limited        | -                       | 1.77                    |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 36 Related Party Disclosures : (Contd..)

| Name of the Related Parties                              | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| <b>Security Deposits (Current Financial Liabilities)</b> |                         |                         |
| Krasny Paras Defence Technologies Private Limited        | -                       | 0.75                    |
| Controp Paras Technologies Private Limited               | 0.30                    | 0.30                    |
| <b>Advance from Customer</b>                             |                         |                         |
| Controp Paras Technologies Private Limited               | 2,934.91                | -                       |
| <b>Balance with other Related Parties:</b>               |                         |                         |
| <b>Intercorporate Deposits Given</b>                     |                         |                         |
| Defspace Technologies Private Limited                    | -                       | 280.00                  |
| <b>Interest Receivable</b>                               |                         |                         |
| Defspace Technologies Private Limited                    | -                       | 20.70                   |
| <b>Other Payables (Salary Payable)</b>                   |                         |                         |
| Mr. Munjal Sharad Shah                                   | 3.28                    | 4.90                    |
| Mrs. Ami Munjal Shah                                     | 3.48                    | 3.48                    |
| Mrs. Shilpa Mahajan                                      | 8.89                    | 2.21                    |
| Mr. Harsh Bhansali                                       | 4.37                    | 3.54                    |
| Mrs. Kaajal Bhansali                                     | 8.98                    | 2.09                    |
| Mr. Amit Mahajan   | 11.32                   | 1.04                    |
| Mr. Anish Mehta  | 7.87                    | 4.17                    |
| Ms. Jajvalya Raghavan                                    | 1.68                    | 1.51                    |
| <b>Trade Payable</b>                                     |                         |                         |
| Defspace Technologies Private Limited                    | -                       | 3.58                    |
| <b>Advance to Supplier</b>                               |                         |                         |
| Defspace Technologies Private Limited                    | 226.81                  | -                       |
| <b>Security Deposits (Current Financial Liabilities)</b> |                         |                         |
| Defspace Technologies Private Limited                    | 0.50                    | 0.50                    |
| Paras Green UAV Private Limited                          | 0.90                    | -                       |
| <b>Corporate Guarantee Given</b>                         |                         |                         |
| Paras Green UAV Private Limited                          | 500.00                  | -                       |

### C. Compensation to Key Management Personnel of the Company

| Particulars   | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>Nature of transaction</b>                          |                                      |                                      |
| Short-term employee benefits                          | 206.20                               | 187.23                               |
| Post-employment benefits                              | 6.94                                 | 22.08                                |
| <b>Total compensation to Key Management Personnel</b> | <b>213.14</b>                        | <b>209.31</b>                        |

### D. The details of loans given by the Company are as under:

| Name of the Company                        | Mechtech Thermal Private Limited | Quantico Technologies Private Limited | Ayatti Innovative Private Limited | Paras Aerospace Private Limited | Paras Anti- Drone Technologies Private Limited |
|--|----------------------------------|---------------------------------------|-----------------------------------|---------------------------------|--|
| Outstanding as at March 31, 2025           | 320.00                           | 1.00                                  | 199.50                            | 451.50                          | -  |
| Maximum amount outstanding during the year | 485.00                           | 1.00                                  | 226.00                            | 2,083.50                        | 1,047.57                                       |
| 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   |

Note: The above inter corporate deposits given carries the interest rate of 12% p.a

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(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.**

- a. 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 ₹ 78.80 lakhs (March 31, 2024 : ₹66.49 Lakhs)
- b. Expenditure incurred related to Corporate Social Responsibility is ₹ 88.00 Lakhs (March 31, 2024: ₹69.00 Lakhs)
- c. Amount shortfall ₹ NIL (March 31, 2024: ₹NIL)

Details of Expenditure incurred towards CSR given below:

| Particulars  | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Environmental Sustainability and Animal Welfare                          | 30.00                                | 20.00                                |
| Health Care, Sanitation and providing Drinking Water                     | 43.00                                | 10.00                                |
| Promoting Education  | 13.00                                | 35.00                                |
| Reducing inequalities faced by socially and economically backward groups | 2.00                                 | 4.00                                 |
| <b>TOTAL</b>   | <b>88.00</b>                         | <b>69.00</b>                         |

**37.1** During the year ended, the Company has contributed above amount and received certificates / management confirmation stating that unspent amount of ₹10.00 lakhs 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<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| <b>Financial Assets designated at Fair Value through profit and loss:-</b> |                         |                         |
| - Investments  | 2,781.13                | 2,176.33                |

- b) Financial Assets / Liabilities designated at Amortised Cost:-

| Particulars   | As at March 31, 2025 |                  | As at March 31, 2024 |                  |
|---|----------------------|------------------|----------------------|------------------|
|   | Carrying Value       | Fair Value       | Carrying Value       | Fair Value       |
| <b>Financial Assets :</b>                                   |                      |                  |                      |                  |
| <b>Financial Assets designated at Amortised Cost:-</b>      |                      |                  |                      |                  |
| - Trade Receivables   | 28,183.31            | 28,183.31        | 18,012.74            | 18,012.74        |
| - Cash and cash equivalents                                 | 2,990.91             | 2,990.91         | 146.76               | 146.76           |
| - Bank Balance other than Cash and Cash Equivalents         | 7,446.74             | 7,446.74         | 723.10               | 723.10           |
| - Loans   | 2,160.41             | 2,160.41         | 2,377.12             | 2,377.12         |
| - Others  | 1,000.90             | 1,000.90         | 1,625.19             | 1,625.19         |
| <b>Total</b>  | <b>41,782.27</b>     | <b>41,782.27</b> | <b>22,884.91</b>     | <b>22,884.91</b> |
| <b>Financial Liabilities :</b>                              |                      |                  |                      |                  |
| <b>Financial Liabilities designated at Amortised Cost:-</b> |                      |                  |                      |                  |
| - Borrowings  | -                    | -                | 3,388.80             | 3,388.80         |
| - Lease liabilities   | 93.18                | 93.18            | 119.61               | 119.61           |
| - Trade Payable   | 5,189.00             | 5,189.00         | 5,802.28             | 5,802.28         |
| - Other Financial Liabilities                               | 626.11               | 626.11           | 519.26               | 519.26           |
| <b>Total</b>  | <b>5,908.29</b>      | <b>5,908.29</b>  | <b>9,829.95</b>      | <b>9,829.95</b>  |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note : 38 Fair Values (Contd..)

### 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.

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 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, 2025 |         |          |
|--|----------------------|---------|----------|
|  | Level 1              | Level 2 | Level 3  |
| <b>Financial Assets</b>  |                      |         |          |
| <b>Financial Assets designated at Fair Value through profit and loss:-</b> |                      |         |          |
| Investments in Equity of Co-operative Bank                                 | -                    | -       | # 25.10  |
| Investment in Equity Shares  | -                    | -       | 1,756.02 |
| Investment in 0.01% Compulsory Convertible Preference Shares               | -                    | -       | 1,000.01 |

| Particulars  | As at March 31, 2024 |         |          |
|--|----------------------|---------|----------|
|  | Level 1              | Level 2 | Level 3  |
| <b>Financial Assets</b>  |                      |         |          |
| <b>Financial Assets designated at Fair Value through profit and loss:-</b> |                      |         |          |
| Investments in Equity of Co-operative Bank                                 | -                    | -       | # 25.00  |
| Investment in Equity Shares  | -                    | -       | 2,151.33 |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(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, 2025 and March 31, 2024

| Particulars  | As at<br>March 31, 2025 | Valuation<br>Technique                     | Input used   |
|--|-------------------------|--|--|
| <b>Financial Assets designated at fair value through profit and loss:-</b> |                         |  |  |
| - Investment in unlisted equity shares                                     | 1,045.52                | Based on professional valuer's certificate | Market approach- Comparable Transactions Multiple Method |
| - Investment in unlisted equity shares                                     | 710.50                  | Market approach                            | Recent Precedent Transaction                             |
| - Investment in 0.01% Compulsory Convertible Preference Shares             | 1,000.01                | Based on professional valuer's certificate | Income Approach (Discounted Cash flow)                   |

| Particulars  | As at<br>March 31, 2024 | Valuation<br>Technique                     | Input used   |
|--|-------------------------|--|--|
| <b>Financial Assets designated at fair value through profit and loss:-</b> |                         |  |  |
| - 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                  |

\*since the investments under level 3 of the fair value hierarchy as at March 31, 2025 and March 31, 2024 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, 2025 and March 31, 2024

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(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, 2025 | Currency | Amount in FC | Amount in INR |
|---|----------|--------------|---------------|
| Investment  | USD      | 12,21,667    | 1,045.52      |
| Trade Receivable  | USD      | 18,19,344    | 1,557.02      |
| Trade Receivable  | EURO     | 97,560       | 90.07         |
| Trade Payable   | USD      | 28,17,431    | 2,411.20      |
| Trade Payable   | EURO     | 2,652        | 2.45          |
| Trade Payable   | GBP      | 40,779       | 45.16         |
| Trade Payable   | AED      | 6,65,142     | 154.99        |

| 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         |

### Foreign Currency Sensitivity

2% increase or decrease in foreign exchange rates will have the following impact on Profit Before Tax (PBT):-

| Particulars                                     | 2024-25                    |                            | 2023-24                    |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
|   | 2% increase- Profit/(Loss) | 2% decrease- Profit/(Loss) | 2% increase- Profit/(Loss) | 2% decrease- Profit/(Loss) |
| USD   | 3.83                       | (3.83)                     | (32.96)                    | 32.96                      |
| EURO  | 1.75                       | (1.75)                     | 0.85                       | (0.85)                     |
| GBP   | (0.90)                     | 0.90                       | 0.41                       | (0.41)                     |
| AED   | (3.10)                     | 3.10                       | -                          | -                          |
| <b>Increase/(Decrease) in Profit Before Tax</b> | <b>1.58</b>                | <b>(1.58)</b>              | <b>(31.70)</b>             | <b>31.70</b>               |

### (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. During the previous year, the Company was 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, 2025

(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<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------|-------------------------|-------------------------|
| Term Loan From bank      | -                       | 32.52                   |
| Working Capital Facility | -                       | 3,356.28                |
| <b>Closing Balances</b>  | <b>-</b>                | <b>3,388.80</b>         |

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                                       | 2024-25                       |                               | 2023-24                       |                               |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|   | 2% increase-<br>Profit/(Loss) | 2% decrease-<br>Profit/(Loss) | 2% increase-<br>Profit/(Loss) | 2% decrease-<br>Profit/(Loss) |
| Working Capital Facility                          | -                             | -                             | (67.13)                       | 67.13                         |
| <b>(Decrease) / Increase in Profit Before Tax</b> | <b>-</b>                      | <b>-</b>                      | <b>(67.13)</b>                | <b>67.13</b>                  |

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, 2025     |                | As at March 31, 2024     |                |
|-------------------|--------------------------|----------------|--------------------------|----------------|
|                   | Gross Carrying<br>Amount | Loss Allowance | Gross Carrying<br>Amount | Loss Allowance |
| Trade Receivables | 29,991.92                | 1,808.61       | 19,458.04                | 1,445.30       |

The following table summarizes the changes in the Provisions made for the receivables:

| Particulars              | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------|-------------------------|-------------------------|
| <b>Opening Balances</b>  | <b>1,445.30</b>         | <b>953.70</b>           |
| Provided during the year | 363.31                  | 522.45                  |
| Reversed during the year | -                       | (30.85)                 |
| <b>Closing Balances</b>  | <b>1,808.61</b>         | <b>1,445.30</b>         |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(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  |                      |
| <b>March 31, 2025</b>                                 |                 |                  |               |                      |
| Lease Liabilities                                     | -               | 52.76            | 40.42         | - 93.18              |
| Trade Payable   | -               | 5,189.00         | -             | - 5,189.00           |
| Other Financial Liabilities                           | -               | 626.11           | -             | - 626.11             |
| <b>Total</b>  | <b>-</b>        | <b>5,867.87</b>  | <b>40.42</b>  | <b>- 5,908.29</b>    |
| <b>March 31, 2024</b>                                 |                 |                  |               |                      |
| 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             |
| <b>Total</b>  | <b>3,356.28</b> | <b>6,361.00</b>  | <b>108.04</b> | <b>4.63 9,829.95</b> |

### 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, 2025    | March 31, 2024   |
|--|-------------------|------------------|
| Total Debt                               | -                 | 3,388.80         |
| Less: Cash and cash equivalent           | 2,990.91          | 146.76           |
| <b>Net Debt</b>                          | <b>(2,990.91)</b> | <b>3,242.04</b>  |
| Equity                                   | 64,346.86         | 44,664.84        |
| <b>Total Capital (Equity + Net Debt)</b> | <b>61,355.95</b>  | <b>47,906.88</b> |
| <b>Gearing ratio</b>                     | <b>NA</b>         | <b>6.77%</b>     |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 41 Employee share based payment:

**41.1** The Company offers equity based option plan to its employees through the Company's stock option plan.

### 41.2 Paras Defence and Space Technologies Limited - Employee Stock Option Plan 2024" ("Paras Defence ESOP 2024")"

During the Year, the Board of Directors and Shareholders of the Company have approved the "Paras Defence and Space Technologies Limited - Employee Stock Option Plan 2024" ("Paras Defence ESOP 2024") for the employees of the Company, its subsidiary companies and/or associate companies, group companies (present and future) comprising of equity shares of the Company, not exceeding 7,95,000 equity shares of face value of ₹ 10/- each, in one or more tranches. The specific Employees to whom the Options are granted and their Eligibility Criteria are determined by the Nomination and Remuneration Committee. the Company has granted 78,450 options in 3 different tranches to the eligible employees on 22<sup>nd</sup> January, 2025 with exercise price of ₹ 1,000 per share. Exercise period is 5 years from the date of respective vesting of options.

The details of options granted for the year ended 31 March 2025 is presented below:

| Particulars  | Paras Defence ESOP 2024 |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
| <b>Options as at 1<sup>st</sup> April</b>                  |                         |                         |
| Options granted during the year                            | 78,450                  | -                       |
| Options forfeited during the year                          | -                       | -                       |
| Options exercised during the year                          | -                       | -                       |
| <b>Options outstanding as at 31<sup>st</sup> March</b>     |                         | 78,450                  |
| <b>Number of option exercisable at the end of the year</b> |                         | -                       |

The fair values of options has been determined at the date of grant of the options. This fair value, adjusted by the Company's estimate of the number of options that will eventually vest, is expensed over the vesting period.

The fair values were calculated using the Black-Scholes Model for tenure based options. The inputs to the model include the share price at date of grant, exercise price, expected life, expected volatility, expected dividends and the risk free rate of interest. Expected volatility has been calculated using historical return on share price.

Basic features about the ESOS granted

| Particulars                      | Paras Defence ESOP 2024  |
|----------------------------------|--|
| Date of Shareholder's Approval   | September 20, 2024   |
| Total Number of Options approved | 795000   |
| Vesting Requirements             | Time based and tranche based vesting, at the end of 3 <sup>rd</sup> , 4 <sup>th</sup> and 5 <sup>th</sup> year from the date of grant. |
| The pricing Formula              | The Exercise price shall be decided by Nomination and remuneration committee from time to time as on the date of grant.                |
| Maximum Term of options granted  | 5 years from the date of vesting of options.   |
| Method of Settlements            | Equity Settled   |
| Sources of Shares                | Primary issuance of shares   |
| Method of Accounting             | Fair Value Method  |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 41 Employee share based payment: (Contd..)

Accordingly, the assumptions used in the calculations of original grant date fair value of the options granted are set out below:

| Paras Defence ESOP 2024              | Grant Date  |             |             |
|--------------------------------------|-------------|-------------|-------------|
|                                      | 22-02-2025  | 22-02-2025  | 22-02-2025  |
| Number of Options                    | 19,613      | 19,612      | 39,225      |
| Exercise Price                       | ₹ 1000.00   | ₹ 1000.00   | ₹ 1000.00   |
| Share Price at the date of grant     | ₹ 1060.20   | ₹ 1060.20   | ₹ 1060.20   |
| Vesting Period on completion of year |             |             |             |
| 3 <sup>rd</sup> Year                 | 100%        |             |             |
| 4 <sup>th</sup> Year                 |             | 100%        |             |
| 5 <sup>th</sup> Year                 |             |             | 100%        |
| Expected Volatility                  | 43.14% p.a. | 43.14% p.a. | 43.14% p.a. |
| Expected option life                 | 8.01 Year   | 9.01 Year   | 10.01 Year  |
| Expected dividends                   | 0.0% p.a.   | 0.0% p.a.   | 0.0% p.a.   |
| Risk free interest rate              | 6.64% p.a.  | 6.67% p.a.  | 6.66% p.a.  |
| Fair value per option granted        | ₹ 650.77    | ₹ 684.85    | ₹ 715.04    |

The Company has recognized total expenses of ₹ 24.99 Lakhs (Previous year ₹ Nil) related to above equity settled share-based payment transactions for the year ended 31<sup>st</sup> March, 2025.

## Note: 42 Assets held for Sale

| Description of the assets held for sale                       | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <b>Investment in Equity Instruments of Subsidiary company</b> |                         |                         |
| Ayatti Innovative Private Limited                             | 699.20                  | -                       |
| <b>Total</b>  | <b>699.20</b>           | -                       |

During the year, the Board of Directors of the Company approved the divestment of its investment in Ayatti Innovative Private Limited ('Ayatti'), wherein the Company holds 58.02% of equity stake and on March 31, 2025, the Company entered into a proposed sale agreement and sale consideration is receivable on mutually agreed instalments, accordingly the Company has disclosed the investment in Ayatti as Held for Sale.

## Note: 43 Group Information

| Name  | Principal Place of Business | % Equity interest       |                         |  |
|---|-----------------------------|-------------------------|-------------------------|--|
|   |                             | As at<br>March 31, 2025 | As at<br>March 31, 2024 |  |
| <b>A Indian subsidiaries and Associates</b>   |                             |                         |                         |  |
| <b>Subsidiaries:</b>  |                             |                         |                         |  |
| Paras Aerospace Private Limited   | India                       | 60.00%                  | 60.00%                  |  |
| Paras Green UAV Private Limited (Formerly Known as Paras Green Optics Private Limited)* | India                       | 0.00%                   | 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%                 | 100.00%                 |  |
| Mechtech Thermal Private Limited  | India                       | 70.00%                  | 70.00%                  |  |
| <b>Associates:</b>  |                             |                         |                         |  |
| Krasny Paras Defence Technologies Private Limited                                       | India                       | 47.50%                  | 47.50%                  |  |
| Controp Paras Technologies Private Limited  | India                       | 30.00%                  | 30.00%                  |  |
| <b>B Overseas Subsidiary</b>  |                             |                         |                         |  |
| OPEL Technologies PTE Ltd   | Singapore                   | 100.00%                 | 100.00%                 |  |

\* During the year, the Board of Directors of the Company approved the divestment of its investment in wholly owned subsidiary, Paras Green UAV Private Limited ('Paras Green') and on March 27, 2025, the Company entered into a sale agreement and received the sales consideration, accordingly as on March 31, 2025, Paras Green ceased to be a subsidiary of the Company;

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 44 Provisions

Disclosures as required by Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets":-

Movement in provisions:-

| Nature of provision                | Provision for<br>Expected Credit loss/<br>credit impaired on<br>Trade Receivables | Provision for<br>Doubtful advances | Total           |
|------------------------------------|---|------------------------------------|-----------------|
| <b>As at April 01, 2023</b>        | <b>953.70</b>   | -                                  | <b>953.70</b>   |
| Provision during the Year          | 522.45  | 7.80                               | 530.25          |
| Provision Reversed during the Year | (30.85)   | -                                  | (30.85)         |
| <b>As at March 31, 2024</b>        | <b>1,445.30</b>   | <b>7.80</b>                        | <b>1,453.10</b> |
| Provision during the Year          | 363.31  | -                                  | 363.31          |
| Provision Reversed during the Year | -   | (7.80)                             | (7.80)          |
| <b>As at March 31, 2025</b>        | <b>1,808.61</b>   | -                                  | <b>1,808.61</b> |

## Note: 45 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:

#### 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<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|--------------------------------|--------------------------------------|--------------------------------------|
| <b>Segment Revenue</b>         |                                      |                                      |
| a. Optics and Optronic Systems | 17,737.00                            | 6,939.18                             |
| b. Defence Engineering         | 15,648.41                            | 16,304.27                            |
| <b>Revenue From Operations</b> | <b>33,385.41</b>                     | <b>23,243.45</b>                     |
| <b>Segment Results</b>         |                                      |                                      |
| a. Optics and Optronic Systems | 9,657.69                             | 3,223.69                             |
| b. Defence Engineering         | 1,914.38                             | 3,838.10                             |
| <b>Total</b>                   | <b>11,572.07</b>                     | <b>7,061.79</b>                      |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 45 SEGMENT REPORTING (Contd..)

| Particulars                                    | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| i) Finance Costs                               | (551.90)                             | (384.58)                             |
| ii) Other unallocable expenditure              | (3,524.97)                           | (3,148.93)                           |
| iii) Unallocable Income                        | 1,185.63                             | 934.00                               |
| <b>Profit before exceptional items and Tax</b> | <b>8,680.83</b>                      | <b>4,462.28</b>                      |
| Exceptional items                              | -                                    | -                                    |
| <b>Profit Before Tax</b>                       | <b>8,680.83</b>                      | <b>4,462.28</b>                      |

### II Segment wise Assets and Liabilities:

| Particulars                | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|----------------------------|-------------------------|-------------------------|
| <b>Segment Assets</b>      |                         |                         |
| a. Optics and Optronics    | 34,979.72               | 22,984.21               |
| b. Defence Engineering     | 24,639.78               | 24,134.02               |
| c. Unallocable             | 23,477.27               | 13,672.58               |
| <b>Total</b>               | <b>83,096.77</b>        | <b>60,790.81</b>        |
| <b>Segment Liabilities</b> |                         |                         |
| a. Optics and Optronics    | 2,857.77                | 3,576.51                |
| b. Defence Engineering     | 11,272.85               | 5,379.06                |
| c. Unallocable             | 4,619.29                | 7,170.40                |
| <b>Total</b>               | <b>18,749.91</b>        | <b>16,125.97</b>        |

### III Other Informations

| Particulars                               | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Capital Expenditure                       | 2,959.96                             | 2,476.94                             |
| Depreciation                              | 1,354.32                             | 1,216.20                             |
| Non-cash Expenses other than Depreciation | 503.37                               | 645.10                               |

### 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, 2025 and March 31, 2024

#### 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".

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 45 SEGMENT REPORTING (Contd..)

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 ₹ 21,169.01 Lakhs (March 31, 2024 : ₹ 10,586.37 Lakhs) from three customers (March 31, 2024: three customers) having more than 10% of the total revenue.

## Note : 46 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    | 31-03-25              | 44,538.17                      | 44,538.17                           | -                    |
| Inventories & Trade Receivables    | 31-12-24              | 43,588.33                      | 43,588.33                           | -                    |
| Inventories & Trade Receivables    | 30-09-24              | 41,318.23                      | 41,317.29                           | 0.94                 |
| Inventories & Trade Receivables    | 30-06-24              | 36,843.53                      | 36,843.53                           | -                    |
| 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                           | -                    |

## Note: 47 Ratio Analysis and its Components

| Sr. No. | Particulars                 | Numerator   | Denominator   | As at March 31, 2025 | As at March 31, 2024 | % Variance | Reason for variance  |
|---------|-----------------------------|---|---|----------------------|----------------------|------------|--|
| i)      | Current ratio               | Current Assets  | Current Liabilities   | 3.50                 | 2.77                 | 26.42      | The ratio has increased since the Current Assets and Current liability have increased. As on March 31, 2025, the Current Assets have increased by 52% principally on account of increase in trade receivable & fixed deposits . Further the current liabilities have increased by 20% mainly on account of advance from customers. |
| ii)     | Debt equity ratio           | Total Debt  | Total Equity (Equity Share capital + Other equity)                                | -                    | 0.08                 | (100.00)   | The ratio has decreased due to repayment of non-current borrowing as well as 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 | 13.81                | 14.62                | (5.57)     |  |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 47 Ratio Analysis and its Components (Contd..)

| Sr. No. | Particulars                      | Numerator  | Denominator  | As at March 31, 2025 | As at March 31, 2024 | % Variance | Reason for variance   |
|---------|----------------------------------|--|--|----------------------|----------------------|------------|---|
| iv)     | Return on equity ratio           | Net profit after tax   | Average Total Equity [(Opening Total Equity + Closing Total Equity)/2]   | 11.94%               | 7.96%                | 49.91      | The ratio has increase mainly due to increase in the Net profit in FY 2024-25                                   |
| v)      | Inventory Turnover ratio         | Revenue from Operations  | Average Inventory [(opening balance+ closing balance)/2]                 | 2.33                 | 2.00                 | 16.56      |   |
| vi)     | Trade receivables turnover ratio | Revenue from Operations  | Average trade receivable [(opening balance+ closing balance)/2]          | 1.45                 | 1.43                 | 1.02       |   |
| vii)    | Trade payables turnover ratio    | Cost of Materials Consumed   | Average trade payable [(opening balance+ closing balance)/2]             | 2.67                 | 3.23                 | (17.30)    |   |
| viii)   | Net capital turnover ratio       | Revenue from Operations  | Working capital [(Current asset - Investments) - current liabilities]    | 0.81                 | 0.96                 | (15.36)    |   |
| ix)     | Net profit ratio                 | Net Profit after tax   | Revenue from Operations  | 19.49%               | 14.73%               | 32.33      | The ratio has improved on account of increase in margin on account of higher sales realisation                  |
| x)      | Return on capital employed       | Profit Before interest & Tax   | Total Equity + Total Debts + Deferred Tax Liability                      | 13.94%               | 9.68%                | 44.06      | The ratio has increase mainly due to increase in Earning before interest & tax                                  |
| 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 | 4.23%                | 12.02%               | (64.82)    | The ratio has decrease mainly on account of increase in Fixed deposits & lower return in case of Fixed Deposits |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note : 48 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: 49** The Management and Authorities have the power to amend the Financial Statements in accordance with section 130 And 131 of the Companies Act, 2013.

**Note: 50** The figures for the corresponding previous periods/ year have been regrouped/rearranged wherever necessary, to make them comparable.

As per our report of even date

For and on behalf of the Board of Directors

### For Chaturvedi & Shah LLP

Chartered Accountants

(Firm Registration No. 101720W/W100355)

### RUPESH SHAH

Partner

Membership No. 117964

### 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

Date: April 30, 2025

# 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, 2025, 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, 2025 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, 2025. 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><b>1) Revenue:</b></p> <p>During the year, the Holding Company's revenue from operation has been increased by 43.63%. 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 (l) 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"> <li>• Assessing the systems related to invoicing and measurement as well as other relevant systems supporting the accounting of revenue.</li> <li>• 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;</li> <li>• Verifying the completeness of disclosure in the Consolidated Financial Statements as per Ind AS 115.</li> </ul> |

| Key Audit Matter  | How our audit addressed the key audit matter  |
|---|---|
| <p><b>2) Inventories</b></p> <p>As of March 31, 2025, inventories appear in the Holding Company's Standalone Financial Statements for an amount of ₹ 14,546.25 Lakhs constitutes 17.51% of the total assets of the Holding Company's Financial Statements. Inventories are valued at the lower of cost and 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"><li>• Significance of the inventories balance.</li><li>• 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.</li></ul> <p>Refer note no. 1.4 (F) and 10 to the Consolidated Financial Statements.</p> | <p>Our audit procedure included, among others:</p> <ul style="list-style-type: none"><li>• 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.</li><li>• 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</li><li>• Assessing the methods used to value inventories and ensuring the consistency of accounting methods.</li><li>• Testing, by sampling, the effectiveness of the controls set up by Management to prevent or detect possible errors in valuation of inventories.</li><li>• Analyzing the Holding company's assessment of net realizable value and calculations for stock obsolescence.</li><li>• Verifying the completeness of disclosure in the Consolidated Financial Statements as per Ind AS 2.</li><li>• Obtaining representation letter from the management as per SA 580 (revised) – Written representations.</li></ul> |

## 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 ₹ 2,391.46 Lakhs as at March 31, 2025, total revenues of ₹ 4,339.33 Lakhs and net cash inflow amounting to ₹ 295.11 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 ₹ (1.94) Lakhs and total Comprehensive Income of ₹ (1.94) Lakhs for year ended March 31, 2025 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 subsection (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 Associate which reflect Group's share of net profit after tax of ₹ 4.69 Lakhs and total comprehensive income of ₹ 4.69 Lakhs for the year ended March 31, 2025. 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 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, 2025 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, 2025 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 and based on the auditor's reports of subsidiary Companies and associate companies incorporated in India, the remuneration paid by the Holding Company and a subsidiary company to their respective directors during the year is in accordance with the provisions of Section 197 read with Schedule V 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:
  - 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 and its subsidiaries and associates company incorporated in India.
  - iv. (a) The respective Managements of the Company and 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 and 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 Company have not declared or paid dividend during the year.
- vi. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiary and an associate which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company, subsidiary and an associate company have used accounting software for maintaining its books of accounts 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 and respective auditors of the above referred subsidiary and an associate did not come across any instance of audit trail features being tampered in respect of other accounting software where audit trail has been enabled. Additionally, the audit trail of relevant prior year has been preserved by the Holding Company and the above-referred subsidiary and an associate, as per the statutory requirements for record retention, to the extent it was enabled and recorded in that respective

For **CHATURVEDI & SHAH LLP**  
Chartered Accountants  
Firm Reg. No. 101720W / W100355

**Rupesh Shah**  
Partner

Membership No. 117964  
UDIN No.: 25117964BMOOSR6199

Navi Mumbai

Date: April 30, 2025

## “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, 2025)

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.<br>No | Name of the entities                          | CIN                   | Holding/ Subsidiary/<br>Joint Venture Company | Clause number of the CARO<br>report which is unfavorable<br>or qualified or adverse |
|----------|---|-----------------------|---|---|
| 1        | Ayatti Innovative Private Limited             | U28139PN2018PTC178147 | Subsidiary Company                            | Clause vii(a) and xvii  |
| 2        | Paras Anti-drone Technologies Private Limited | U74999MH2019PTC321808 | Subsidiary Company                            | Clause xvii   |
| 3        | Quantico Technologies Private Limited         | U62013MH2023PTC416451 | Subsidiary Company                            | Clause xvii   |
| 4        | Mechtech Thermal Private Limited              | U74100TS2024PTC180963 | Subsidiary Company                            | Clause xvii   |

For CHATURVEDI & SHAH LLP

Chartered Accountants

Firm Reg. No. 101720W / W100355

Rupesh Shah

Partner

Membership No. 117964

UDIN No.: 25117964BMOOSR6199

Navi Mumbai

Date: April 30, 2025

# 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, 2025)

## **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, 2025 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 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,

2025, 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

Navi Mumbai  
Date: April 30, 2025

**Rupesh Shah**  
Partner  
Membership No. 117964  
UDIN No.: 25117964BMOOSR6199

# Consolidated Balance Sheet

as at March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

| Particulars  | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|--|----------|----------------------|----------------------|
| <b>I. ASSETS</b>   |          |                      |                      |
| <b>1) Non Current Assets</b>   |          |                      |                      |
| (a) Property, Plant and Equipment  | 2        | 17,949.46            | 17,817.81            |
| (b) Capital Work in Progress   | 2        | 782.08               | 445.80               |
| (c) Investment property  | 3        | 62.49                | -                    |
| (d) Intangible Assets  | 4        | 362.93               | 107.86               |
| (e) Intangible assets under development  | 4        | 283.86               | -                    |
| (f) Goodwill   |          | 644.60               | 644.60               |
| (g) Financial Assets   |          |                      |                      |
| i) Investments   | 5        | 2,823.67             | 2,214.11             |
| ii) Trade Receivables  | 6        | 87.97                | 51.27                |
| iii) Loans   | 7        | 1.97                 | 3.39                 |
| iv) Other Financial Assets   | 8        | 785.66               | 1,966.18             |
| (h) Non Current Tax Assets   | 22       | 3.53                 | 6.57                 |
| (i) Deferred Tax Assets (Net)  | 22       | -                    | 5.25                 |
| (j) Other Non Current Assets   | 9        | 1,564.24             | 207.12               |
|  |          | <b>25,352.46</b>     | <b>23,869.96</b>     |
| <b>2) Current Assets</b>   |          |                      |                      |
| (a) Inventories  | 10       | 15,085.20            | 15,020.66            |
| (b) Financial Assets   |          |                      |                      |
| i) Trade Receivables   | 11       | 29,478.11            | 19,794.19            |
| ii) Cash and Cash Equivalents  | 12       | 3,447.21             | 298.17               |
| iii) Bank Balances other than (ii) above   | 13       | 7,635.79             | 842.89               |
| iv) Loans  | 14       | 1,187.04             | 395.93               |
| v) Other Financial Assets  | 15       | 227.92               | 120.13               |
| (c) Other Current Assets   | 16       | 2,782.21             | 59,843.48            |
|  |          | <b>59,843.48</b>     | <b>3,630.92</b>      |
|  |          | <b>85,195.94</b>     | <b>40,102.89</b>     |
| <b>TOTAL ASSETS</b>  |          |                      | <b>63,972.85</b>     |
| <b>II. EQUITY AND LIABILITIES</b>  |          |                      |                      |
| <b>EQUITY</b>  |          |                      |                      |
| (a) Equity Share Capital   | 17       | 4,029.37             | 3,900.00             |
| (b) Other Equity   | 18       | 59,964.51            | 40,561.41            |
|  |          | <b>63,993.88</b>     | <b>44,461.41</b>     |
| Equity attributable to Owners  |          |                      |                      |
| Non Controlling Interest   |          | (331.81)             | (133.83)             |
| <b>Total Equity</b>  |          | <b>63,662.07</b>     | <b>44,327.58</b>     |
| <b>LIABILITIES</b>   |          |                      |                      |
| <b>1) Non Current Liabilities</b>  |          |                      |                      |
| (a) Financial Liabilities  |          |                      |                      |
| i) Borrowings  | 19       | 87.57                | 143.22               |
| ia) Lease Liabilities  | 20       | 40.42                | 85.13                |
| (b) Provisions   | 21       | 412.43               | 303.57               |
| (c) Deferred Tax Liabilities (Net)   | 22       | 1,892.25             | 2,432.67             |
|  |          | <b>2,432.67</b>      | <b>2,040.04</b>      |
|  |          | <b>2,571.96</b>      |                      |
| <b>2) Current Liabilities</b>  |          |                      |                      |
| (a) Financial Liabilities  |          |                      |                      |
| i) Borrowings  | 23       | 2,221.56             | 6,317.54             |
| ia) Lease Liability  | 20       | 52.76                | 34.48                |
| ii) Trade Payables   | 24       |                      |                      |
| (A) Total Outstanding dues of Micro enterprises and small enterprises                      |          | 2,043.70             | 1,078.15             |
| (B) Total Outstanding dues of creditors other than Micro enterprises and small enterprises |          | 3,415.17             | 5,019.92             |
| iii) Other Financial Liabilities   | 25       | 730.33               | 606.14               |
| (b) Other Current Liabilities  | 26       | 9,221.39             | 3,154.38             |
| (c) Provisions   | 27       | 25.01                | 15.00                |
| (d) Current Tax Liabilities (Net)  |          | 1,391.28             | 19,101.20            |
|  |          | <b>19,101.20</b>     | <b>847.70</b>        |
|  |          | <b>85,195.94</b>     | <b>17,073.31</b>     |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |          |                      | <b>63,972.85</b>     |
| Material Accounting Policies   | 1        |                      |                      |
| Notes to the Consolidated Financial Statements   | 2 to 49  |                      |                      |

As per our report of even date

For and on behalf of the Board of Directors

**For Chaturvedi & Shah LLP**

Chartered Accountants

(Firm Registration No. 101720W/W100355)

**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: April 30, 2025

# Statement of Consolidated Profit and Loss

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

| Particulars   | Note No. | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---|----------|--------------------------------------|--------------------------------------|
| 1 Revenue From Operations   | 28       | 36,466.12                            | 25,349.82                            |
| 2 Other Income  | 29       | 792.22                               | 827.17                               |
| <b>3 Total Income (1+2)</b>   |          | <b>37,258.34</b>                     | <b>26,176.99</b>                     |
| <b>4 Expenses</b>   |          |                                      |                                      |
| Cost of Materials Consumed  |          | 12,710.97                            | 12,618.93                            |
| Purchase of Stock in Trade  |          | 3,408.90                             | 2,773.91                             |
| Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade       | 30       | 903.43                               | (3,334.35)                           |
| Employee Benefits Expense   | 31       | 3,752.14                             | 3,089.87                             |
| Finance Costs   | 32       | 662.22                               | 543.95                               |
| Depreciation and Amortisation Expense   | 33       | 1,493.02                             | 1,336.15                             |
| Other Expenses  | 34       | 5,970.33                             | 5,095.99                             |
| <b>Total Expenses</b>   |          | <b>28,901.01</b>                     | <b>22,124.45</b>                     |
| <b>5 Profit Before Share of Loss of Associates, Exceptional Items and tax (3-4)</b> |          | <b>8,357.32</b>                      | <b>4,052.54</b>                      |
| 6 Share of (profit) / loss of Associates  |          | (2.75)                               | 5.69                                 |
| <b>7 Profit Before exceptional Items and Tax (5-6)</b>                              |          | <b>8,360.07</b>                      | <b>4,046.85</b>                      |
| 8 Exceptional Items   |          | -                                    | -                                    |
| <b>9 Profit Before Tax (7-8)</b>  |          | <b>8,360.07</b>                      | <b>4,046.85</b>                      |
| <b>10 Tax Expenses :</b>  |          |                                      |                                      |
| Current Tax   |          | 2,304.59                             | 1,256.79                             |
| Deferred Tax  | 22       | (93.67)                              | (103.32)                             |
| Income Tax for Earlier Years  |          | -                                    | (110.41)                             |
|   |          | <b>2,210.92</b>                      | <b>1,043.06</b>                      |
| <b>11 Profit for the Year (9-10)</b>  |          | <b>6,149.15</b>                      | <b>3,003.79</b>                      |
| <b>12 Other Comprehensive Income</b>  |          |                                      |                                      |
| <b>(i) Items that will not be reclassified to profit or loss</b>                    |          |                                      |                                      |
| Remeasurement Losses on Defined Benefit Plans                                       |          | 50.49                                | 48.47                                |
| Tax Effect on above   |          | (12.71)                              | (12.20)                              |
| <b>(ii) Items that will be reclassified to Profit or Loss</b>                       |          |                                      |                                      |
| Exchange differences in translating the financial statement of a foreign operation  |          | (9.10)                               | (2.09)                               |
| <b>Total Other Comprehensive Income (Net of Tax)</b>                                |          | <b>28.68</b>                         | <b>34.18</b>                         |
| <b>Total Comprehensive Income for the Year (11-12)</b>                              |          | <b>6,120.47</b>                      | <b>2,969.61</b>                      |
| <b>13 Profit attributable to</b>  |          |                                      |                                      |
| Owners of the Company   |          | 6,347.13                             | 3,206.01                             |
| Non-Controlling Interest  |          | (197.98)                             | (202.22)                             |
| <b>14 Other Comprehensive Income attributable to</b>                                |          |                                      |                                      |
| Owners of the Company   |          | 28.68                                | 34.18                                |
| Non-Controlling Interest  |          | -                                    | -                                    |
| <b>15 Total Comprehensive Income attributable to</b>                                |          |                                      |                                      |
| Owners of the Company   |          | 6,318.45                             | 3,171.83                             |
| Non-Controlling Interest  |          | (197.98)                             | (202.22)                             |
| <b>16 Earnings per Equity Share of ₹ 10/- each</b>                                  | 35       |                                      |                                      |
| Basic (₹)   |          | 16.02                                | 8.22                                 |
| Diluted (₹)   |          | 16.02                                | 8.22                                 |
| Material Accounting Policies  | 1        |                                      |                                      |
| Notes to the Consolidated Financial Statements                                      |          | 2 to 49                              |                                      |

As per our report of even date

For and on behalf of the Board of Directors

**For Chaturvedi & Shah LLP**  
 Chartered Accountants  
 (Firm Registration No. 101720W/W100355)

**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: April 30, 2025

# Statement of Consolidated Changes in Equity

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## A. EQUITY SHARE CAPITAL

| Particulars          | Balance as at<br>April 01, 2023 | Changes<br>during the Year | Balance as at<br>March 31, 2024 | Changes<br>during the Year | Balance as at<br>March 31, 2025 |
|----------------------|---------------------------------|----------------------------|---------------------------------|----------------------------|---------------------------------|
| Equity Share Capital | 3,900.00                        | -                          | 3,900.00                        | 129.37                     | 4,029.37                        |

## 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 | Share Based payments |                     | Foreign Currency Translation Reserve | Remeasurements of Defined Benefit Plans |                  |  |
| <b>Balance as at April 01, 2023</b>   | <b>(808.36)</b>                          | <b>17,799.78</b>   | <b>11.92</b>    | <b>16,193.38</b>  | <b>-</b>             | <b>4,183.09</b>     | <b>6.62</b>                          | <b>38.54</b>                            | <b>37,424.97</b> |  |
| Reversal of Deferred Tax (IPO related expenses)   | -  | (35.39)            | -               | -                 | -                    | -                   | -                                    | -                                       | (35.39)          |  |
| Total Comprehensive Income for the year   | -  | -                  | -               | 3,206.01          | -                    | -                   | 2.09                                 | (36.27)                                 | 3,171.83         |  |
| <b>Balance as at March 31, 2024</b>   | <b>(808.36)</b>                          | <b>17,764.39</b>   | <b>11.92</b>    | <b>19,399.39</b>  | <b>-</b>             | <b>4,183.09</b>     | <b>8.71</b>                          | <b>2.27</b>                             | <b>40,561.41</b> |  |
| <b>Balance as at April 01, 2024</b>   | <b>(808.36)</b>                          | <b>17,764.39</b>   | <b>11.92</b>    | <b>19,399.39</b>  | <b>-</b>             | <b>4,183.09</b>     | <b>8.71</b>                          | <b>2.27</b>                             | <b>40,561.41</b> |  |
| Issue of Equity Share Capital (Qualified Institutional Placement - QIP) (Refer Note no. 17.2) | -  | 13,388.80          | -               | -                 | -                    | -                   | -                                    | -                                       | 13,388.80        |  |
| Expenses related to issue of Equity Share Capital (QIP) (Net of Taxes)                        | -  | (293.75)           | -               | -                 | -                    | -                   | -                                    | -                                       | (293.75)         |  |
| Reversal of Deferred Tax (IPO related expenses)   | -  | (35.39)            | -               | -                 | -                    | -                   | -                                    | -                                       | (35.39)          |  |
| Share Based Payments (Refer Note No. 43)  | -  | -                  | -               | -                 | 24.99                | -                   | -                                    | -                                       | 24.99            |  |
| Total Comprehensive Income for the year   | -  | -                  | -               | 6,347.13          | -                    | -                   | 9.10                                 | (37.78)                                 | 6,318.45         |  |
| <b>Balance as at March 31, 2025</b>   | <b>(808.36)</b>                          | <b>30,824.05</b>   | <b>11.92</b>    | <b>25,746.52</b>  | <b>24.99</b>         | <b>4,183.09</b>     | <b>17.81</b>                         | <b>(35.51)</b>                          | <b>59,964.51</b> |  |

As per our report of even date

For and on behalf of the Board of Directors

**For Chaturvedi & Shah LLP**

Chartered Accountants

(Firm Registration No. 101720W/W100355)

**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: April 30, 2025

# Statement of Consolidated Cash Flows

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

| Particulars  |                   | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|--|-------------------|--------------------------------------|--------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>  |                   |                                      |                                      |
| Profit before Tax as per the Consolidated Statement of Profit and Loss   |                   | 8,360.07                             | 4,046.85                             |
| <b>ADJUSTED FOR :</b>  |                   |                                      |                                      |
| Depreciation and Amortisation Expense  | 1,493.02          | 1,336.15                             |                                      |
| Share of (Profit)/loss of Associate Companies  | (2.75)            | 5.69                                 |                                      |
| Interest Income  | (331.17)          | (323.38)                             |                                      |
| Dividend Income  | (1.94)            | (0.37)                               |                                      |
| Finance Costs  | 662.22            | 543.95                               |                                      |
| Loss/(Profit) on Discard /sale of Property, Plant and Equipment (Net)  | 14.45             | (1.21)                               |                                      |
| Bad Debts / Advances written off (Net)   | 127.46            | 147.96                               |                                      |
| Provision for Expected Credit Loss   | 363.31            | 522.45                               |                                      |
| Provision for Credit Impaired  | 99.12             | 53.95                                |                                      |
| Provision for Doubtful Advances  | -                 | 13.20                                |                                      |
| Gain on Financial Instruments measured at fair value through profit or loss  | (189.69)          | (475.46)                             |                                      |
| Profit on sale of Investment   | (149.00)          | -                                    |                                      |
| Employee Share Based Payment Expenses  | 24.99             | -                                    |                                      |
| Unrealised Loss on Foreign Currency Transactions and Translation (Net)   | 18.72             | 2,128.74                             | 11.65                                |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>   | <b>10,488.81</b>  |                                      | <b>5,881.43</b>                      |
| <b>ADJUSTMENTS FOR :</b>   |                   |                                      |                                      |
| Trade and Other Receivables  | (9,681.14)        | (7,318.00)                           |                                      |
| Inventories  | (73.19)           | (5,681.56)                           |                                      |
| Trade and Other Payables   | 5,583.26          | (4,171.07)                           | 3,728.95                             |
| <b>CASH GENERATED FROM / (USED IN) OPERATIONS</b>  | <b>6,317.74</b>   |                                      | <b>(3,389.18)</b>                    |
| Direct Taxes Including Interest (Paid)   |                   | (1,834.83)                           | (1,164.89)                           |
| <b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>  | <b>4,482.91</b>   |                                      | <b>(4,554.07)</b>                    |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>  |                   |                                      |                                      |
| Purchase of Property, Plant and Equipment, Intangible Assets, Capital Work-in-Progress and Intangible Assets under development |                   | (3,523.22)                           | (2,600.79)                           |
| Sale of Property, Plant and Equipment  | 14.14             |                                      | 18.82                                |
| Investment in Associate Company  | -                 |                                      | (0.30)                               |
| Profit on sale of Investment in Subsidiary Company   | 10.00             |                                      | -                                    |
| Amount received against Sale of Investment in Subsidiary Company   | 50.00             |                                      | -                                    |
| Purchase of Non - Current Investment   | (2.11)            |                                      | (892.45)                             |
| Sale of Non - Current Investment   | 725.00            |                                      | -                                    |
| Sale of Optionally Convertible Preference Shares   | -                 |                                      | 300.00                               |
| Purchase of Compulsory Convertible Preference Shares   | (1,000.01)        |                                      | -                                    |
| Inter Corporate Deposits given to Associate Company  | (11.70)           |                                      | -                                    |
| Inter Corporate Deposits repaid by Associated Company  | 11.70             |                                      | -                                    |
| Inter- Corporate Deposit given to Others   | (1,585.15)        |                                      | (1,070.00)                           |
| Inter- Corporate Deposits Repaid by Others   | 800.15            |                                      | 1,820.00                             |
| Interest Income  | 341.84            |                                      | 302.22                               |
| Dividend Income  | 1.94              |                                      | 0.37                                 |
| Temporary deposits/Balances of Initial Public Offer/ QIP Proceeds/Utilised   | (4,532.30)        |                                      | 1,953.63                             |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>   | <b>(8,699.72)</b> |                                      | <b>(168.50)</b>                      |

# Statement of Consolidated Cash Flows

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

| Particulars   | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                         |                                      |                                      |
| Proceed from Issue of Equity Shares (QIP) (Net of expenses)           | 13,150.36                            | -                                    |
| Proceed from Issue of share to Non Controlling Interest               | -                                    | 48.00                                |
| Proceed from Non Current Borrowings                                   | 161.29                               | 93.19                                |
| Repayment of Non Current Borrowings                                   | (235.77)                             | (28.17)                              |
| Repayment of Lease Liabilities  | (36.23)                              | -                                    |
| Current Borrowings (Net)  | (4,077.15)                           | 4,933.63                             |
| Finance Costs   | (516.09)                             | (462.29)                             |
| Margin Money (Net)  | (1,080.08)                           | (1,273.99)                           |
| <b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>                   | <b>7,366.33</b>                      | <b>3,310.37</b>                      |
| <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>         | <b>3,149.52</b>                      | <b>(1,412.20)</b>                    |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>                 | <b>298.17</b>                        | <b>1,710.73</b>                      |
| Effect of Exchange rate on Cash and Cash Equivalents                  | (0.48)                               | (0.36)                               |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Refer Note No. 12.1)</b> | <b>3,447.21</b>                      | <b>298.17</b>                        |

## Changes in Liabilities arising from financing activities on account of Non-Current and Current Borrowings

| Particulars   | March 31, 2025  | March 31, 2024  |
|---|-----------------|-----------------|
| <b>OPENING BALANCE OF LIABILITIES ARISING FROM FINANCING ACTIVITIES</b> | <b>6,460.76</b> | <b>1,462.11</b> |
| Add : Changes from Cash Flow from Financing Activities (Net)            | (4,151.63)      | 4,998.65        |
| <b>CLOSING BALANCE OF LIABILITIES ARISING FROM FINANCING ACTIVITIES</b> | <b>2,309.13</b> | <b>6,460.76</b> |

- (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) The figures for the corresponding previous periods/year have been regrouped/rearranged wherever necessary, to make them comparable.

As per our report of even date

For and on behalf of the Board of Directors

### For Chaturvedi & Shah LLP

Chartered Accountants

(Firm Registration No. 101720W/W100355)

**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: April 30, 2025

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(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, 2025. 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, 2025 were approved and adopted by board of directors in their meeting held on April 30, 2025.

## 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.
- Employee stock option plan measured at fair value.

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, 2025

(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) 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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

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 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 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.

## (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 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.

## (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 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:-

- Financial assets at fair value
- 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).

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

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.
- 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.

## (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'.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## (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.

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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## (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) Share based payments

The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share options are determined with the assistance of an external valuer and the fair value at the grant date is expensed on a proportionate basis over the vesting period based on the Company's estimate of shares that will eventually vest. The estimate of the number of options likely to vest is reviewed at each balance sheet date up to the vesting date at which point the estimate is adjusted to reflect the current expectations.

## (M) 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.

## (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 Group or counterparty.

## 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,

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

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 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, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 2 Property, Plant and Equipment

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025  
(All amounts in Rupees Lakhs, unless otherwise stated)

| Particulars                               | Freehold-Land | Leasehold-Land  | Buildings       | Plant and Machinery | Furniture and Fixtures | Vehicles      | Office Equipment | Computer      | Right of Use Assets (Building) | Right of Use Assets (Improvement) | Total            |
|---|---------------|-----------------|-----------------|---------------------|------------------------|---------------|------------------|---------------|--------------------------------|-----------------------------------|------------------|
| <b>Balance as at April 01, 2023</b>       | -             | <b>5,463.32</b> | <b>2,687.45</b> | <b>10,205.00</b>    | <b>555.57</b>          | <b>392.91</b> | <b>351.53</b>    | <b>137.68</b> | -                              | -                                 | <b>19,793.46</b> |
| Additions for the Year                    | -             | -               | 76.90           | 2,353.66            | 85.39                  | 50.86         | 145.20           | 66.27         | 126.84                         | -                                 | -                |
| Reclassification from investment property | 377.82        | -               | 1,835.34        | -                   | -                      | -             | -                | -             | -                              | -                                 | 2,213.12         |
| Disposals / Adjustment                    | -             | -               | -               | -                   | 7.50                   | 5.98          | 2.75             | 12.87         | -                              | -                                 | 29.31            |
| <b>Balance as at March 31, 2024</b>       | <b>377.82</b> | <b>5,463.32</b> | <b>4,599.69</b> | <b>12,558.66</b>    | <b>633.46</b>          | <b>437.79</b> | <b>493.98</b>    | <b>191.08</b> | <b>126.84</b>                  | -                                 | <b>24,882.51</b> |
| Additions for the Year                    | -             | 50.31           | 1,275.50        | 99.57               | 63.05                  | 125.56        | 52.76            | -             | -                              | 17.97                             | 1,684.00         |
| Disposals / Adjustment                    | -             | -               | -               | 3.60                | 46.29                  | 13.06         | 9.32             | 5.05          | -                              | -                                 | 77.20            |
| Transferred to Investment Properties      | -             | -               | 161.30          | -                   | -                      | -             | -                | -             | -                              | -                                 | 161.30           |
| <b>Balance as at March 31, 2025</b>       | <b>377.82</b> | <b>5,463.32</b> | <b>4,488.70</b> | <b>13,830.56</b>    | <b>686.74</b>          | <b>487.78</b> | <b>610.22</b>    | <b>238.79</b> | <b>126.84</b>                  | <b>17.97</b>                      | <b>26,328.74</b> |
| <b>Depreciation</b>                       | -             | -               | -               | -                   | -                      | -             | -                | -             | -                              | -                                 | -                |
| <b>Balance as at April 01, 2023</b>       | -             | <b>568.19</b>   | <b>623.40</b>   | <b>3,408.96</b>     | <b>160.48</b>          | <b>288.80</b> | <b>138.07</b>    | <b>82.03</b>  | -                              | -                                 | <b>5,269.91</b>  |
| Depreciation for the Year                 | -             | 81.17           | 124.94          | 792.46              | 54.96                  | 37.53         | 82.96            | 39.66         | 8.80                           | -                                 | 1,222.58         |
| Reclassification from investment property | -             | -               | 583.91          | -                   | -                      | -             | -                | -             | -                              | -                                 | 583.91           |
| Disposals / Adjustment                    | -             | -               | -               | -                   | 0.71                   | 5.41          | 2.06             | 3.31          | -                              | -                                 | 11.10            |
| <b>Balance as at March 31, 2024</b>       | <b>-</b>      | <b>649.36</b>   | <b>1,332.25</b> | <b>4,201.42</b>     | <b>214.73</b>          | <b>320.92</b> | <b>218.97</b>    | <b>118.38</b> | <b>8.80</b>                    | -                                 | <b>7,064.81</b>  |
| Depreciation for the Year                 | -             | 81.17           | 186.97          | 920.51              | 55.50                  | 35.26         | 94.49            | 40.97         | 42.16                          | 0.08                              | 1,457.50         |
| Disposals / Adjustment                    | -             | -               | -               | 0.39                | 28.20                  | 8.73          | 7.87             | 4.81          | -                              | 50.00                             | -                |
| Transferred to Investment Properties      | -             | -               | 92.66           | -                   | -                      | -             | -                | -             | -                              | -                                 | 92.66            |
| <b>Balance as at March 31, 2025</b>       | <b>-</b>      | <b>730.53</b>   | <b>1,426.56</b> | <b>5,121.54</b>     | <b>242.03</b>          | <b>347.45</b> | <b>305.59</b>    | <b>154.54</b> | <b>50.96</b>                   | <b>0.08</b>                       | <b>8,379.28</b>  |
| <b>Net Carrying Value</b>                 | <b>377.82</b> | <b>4,813.96</b> | <b>3,267.44</b> | <b>8,357.24</b>     | <b>418.73</b>          | <b>116.87</b> | <b>275.01</b>    | <b>72.70</b>  | <b>118.04</b>                  | -                                 | <b>17,817.81</b> |
| <b>Balance as at March 31, 2024</b>       | <b>377.82</b> | <b>4,732.79</b> | <b>3,062.14</b> | <b>8,709.02</b>     | <b>444.71</b>          | <b>140.33</b> | <b>304.63</b>    | <b>84.25</b>  | <b>75.88</b>                   | <b>17.89</b>                      | <b>17,949.46</b> |
| <b>Balance as at March 31, 2025</b>       | <b>377.82</b> | <b>4,732.79</b> | <b>3,062.14</b> | <b>8,709.02</b>     | <b>444.71</b>          | <b>140.33</b> | <b>304.63</b>    | <b>84.25</b>  | <b>75.88</b>                   | <b>17.89</b>                      | <b>17,949.46</b> |

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 ₹ 33.92 lakhs (March 31, 2024 : ₹ 55.29 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, 2025

(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<br>March 31, 2025 | As at<br>March 31, 2024 |
|-----------------------------------|-------------------------|-------------------------|
| Building under Construction       | 37.24                   | 52.58                   |
| Plant and Machinery               | 492.50                  | 334.81                  |
| Furniture and Fixtures            | 70.01                   | 42.98                   |
| Office Equipment                  | 125.18                  | 15.43                   |
| Computer                          | 20.48                   | -                       |
| Leasehold Improvement in progress | 36.67                   | -                       |
| <b>Total</b>                      | <b>782.08</b>           | <b>445.80</b>           |

### 2.5 Capital Work In Progress ageing schedule as at March 31, 2025 is as follows:

| Particulars                   | Amount in Capital Work in Progress for the period of |              |           |                      |               |
|-------------------------------|--|--------------|-----------|----------------------|---------------|
|                               | Less than<br>1 year                                  | 1-2 years    | 2-3 years | More than<br>3 years | Total         |
| Project in progress           | 661.44   | 73.36        | -         | 47.28                | 782.08        |
| Project temporarily suspended | -  | -            | -         | -                    | -             |
| <b>Total</b>                  | <b>661.44</b>  | <b>73.36</b> | <b>-</b>  | <b>47.28</b>         | <b>782.08</b> |

### 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 |           |              |                      |               |
|-------------------------------|--|-----------|--------------|----------------------|---------------|
|                               | Less than<br>1 year                                  | 1-2 years | 2-3 years    | More than<br>3 years | Total         |
| Project in progress           | 398.52   | -         | 47.28        | -                    | 445.80        |
| Project temporarily suspended | -  | -         | -            | -                    | -             |
| <b>Total</b>                  | <b>398.52</b>  | <b>-</b>  | <b>47.28</b> | <b>-</b>             | <b>445.80</b> |

### 2.6 Expected completion schedule of capital work in progress where cost or time overrun has exceeded original plan.

#### Capital Work In Progress as at March 31, 2025

| Particulars                      | Amount in Capital Work in Progress for the period of |          |          |                      |              |
|----------------------------------|--|----------|----------|----------------------|--------------|
|                                  | upto 1 year  | 1-2 year | 2-3 year | More than<br>3 years | Total        |
| Syrus Pro -1100 - Optics Machine | 47.28  | -        | -        | -                    | 47.28        |
| <b>Total</b>                     | <b>47.28</b>   | <b>-</b> | <b>-</b> | <b>-</b>             | <b>47.28</b> |

2.7 The Group does not have any capital work in progress as at March 31, 2024, whose completion is overdue or exceeded its cost compared to its original plan.

2.8 Building includes cost of shares in Co-operative society of ₹ 750 ( March 31, 2024: ₹ 750).

2.9 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, 2025.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 3 Investment property

| Particulars                                    | Land          | Buildings       | Total           |
|--|---------------|-----------------|-----------------|
| <b>Costs:</b>                                  |               |                 |                 |
| <b>As at April 01, 2023</b>                    | <b>377.82</b> | <b>1,835.34</b> | <b>2,213.16</b> |
| Reclassified to property, plant and equipment  | 377.82        | 1,835.34        | 2,213.16        |
| <b>As at March 31, 2024</b>                    |               |                 |                 |
| Transferred from property, plant and equipment | -             | 161.30          | 161.30          |
| <b>As at March 31, 2025</b>                    | <b>-</b>      | <b>161.30</b>   | <b>161.30</b>   |
| <b>Depreciation</b>                            |               |                 |                 |
| <b>As at April 01, 2023</b>                    | <b>-</b>      | <b>515.94</b>   | <b>515.94</b>   |
| Depreciation for the year                      | -             | 67.97           | 67.97           |
| Reclassified to property, plant and equipment  | -             | 583.91          | 583.91          |
| <b>As at March 31, 2024</b>                    | <b>-</b>      | <b>-</b>        | <b>-</b>        |
| Transferred from property, plant and equipment | -             | 92.66           | 92.66           |
| Depreciation for the year                      | -             | 6.15            | 6.15            |
| <b>As at March 31, 2025</b>                    | <b>-</b>      | <b>98.81</b>    | <b>98.81</b>    |
| <b>Net Carrying Value</b>                      |               |                 |                 |
| <b>Balance as at March 31, 2024</b>            | <b>-</b>      | <b>-</b>        | <b>-</b>        |
| <b>Balance as at March 31, 2025</b>            | <b>-</b>      | <b>62.49</b>    | <b>62.49</b>    |

### 3.1 The Company's Investment Properties as at March 31, 2025 consist of Land and Building

### 3.2 Income /(Loss) from Investment Properties generating Rental Income

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| Rental Income derived from investment properties              | 2.70                    | -                       |
| Direct Expenses   | (0.68)                  | -                       |
| Income arising from investment properties before depreciation | 2.02                    | -                       |
| Depreciation  | (6.15)                  | -                       |
| <b>Loss from Investment properties (Net)</b>                  | <b>(4.13)</b>           | <b>-</b>                |

### 3.3 Leasing arrangements

During the year, the Holding company has entered into lease rent agreement on April 15, 2024 (w.e.f. October 01, 2024) and the same is reclassified as Investment Property as per the requirements of IND AS - 40. The future rental income in respect of above lease arrangements are as under:

| Particulars                                       | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| Within one year                                   | 6.00                    | -                       |
| Later than one year but not later than five years | 19.20                   | -                       |
| <b>Total</b>                                      | <b>25.20</b>            | <b>-</b>                |

**3.4** Further During the previous year, the Holding company had entered into 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.

**3.5** The Fair Value of the property is ₹ 144.84 Lakhs. This valuation is based on the valuations performed by an Registered Valuer. The main input used is sales comparison method. 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.

**3.6** 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 4 Intangible Assets

| Particulars                         | Computer Software* | Process Technology / Technical know- How* | TOTAL         |
|-------------------------------------|--------------------|---|---------------|
| <b>Balance as at April 01, 2023</b> | <b>75.95</b>       | <b>309.14</b>                             | <b>385.09</b> |
| Additions for the Year              | 65.38              | -   | 65.38         |
| <b>Balance as at March 31, 2024</b> | <b>141.33</b>      | <b>309.14</b>                             | <b>450.47</b> |
| Additions for the Year              | 286.10             | -   | 286.10        |
| Disposals / Adjustment              | 1.90               | -   | 1.90          |
| <b>Balance as at March 31, 2025</b> | <b>425.53</b>      | <b>309.14</b>                             | <b>734.67</b> |
| <b>Amortisation</b>                 |                    |   |               |
| <b>Balance as at April 01, 2023</b> | <b>18.30</b>       | <b>278.61</b>                             | <b>296.91</b> |
| Amortisation charge for the Year    | 17.64              | 28.06                                     | 45.70         |
| <b>Balance as at March 31, 2024</b> | <b>35.94</b>       | <b>306.67</b>                             | <b>342.61</b> |
| Amortisation charge for the Year    | 27.33              | 2.43                                      | 29.76         |
| Disposals / Adjustment              | 0.63               | -   | 0.63          |
| <b>Balance as at March 31, 2025</b> | <b>62.64</b>       | <b>309.10</b>                             | <b>371.74</b> |
| <b>Net Carrying Amount</b>          |                    |   |               |
| <b>Balance As at March 31, 2024</b> | <b>105.39</b>      | <b>2.47</b>                               | <b>107.86</b> |
| <b>Balance As at March 31, 2025</b> | <b>362.89</b>      | <b>0.04</b>                               | <b>362.93</b> |

\* Other than self generated

### Note: 4.1 Intangible Assets under development includes:

| Particulars                 | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-----------------------------|-------------------------|-------------------------|
| Projects Under Developments | 343.69                  | -                       |
| Less : Grant Received       | 59.83                   | -                       |
| <b>Total</b>                | <b>283.86</b>           | <b>-</b>                |

**4.2** The Intangible assets under development pertains to ongoing projects primarily related to the design, development, and prototyping of advanced RF (Radio Frequency) and Microwave Systems. The Government Grant has been deducted from the carrying amount of the asset in accordance with Ind AS 20 – Accounting for Government Grants and Disclosure of Government Assistance. The intangible asset is under development as at March 31, 2025 will be capitalized upon completion and readiness for its intended use, in accordance with Ind AS 38 – Intangible Assets.

### 4.3 Intangible Assets under development ageing schedule

#### As at March 31, 2025

| Particulars          | Less than<br>1 year | 1-2 Years | 2-3 Years | More than<br>3 years | Total  |
|----------------------|---------------------|-----------|-----------|----------------------|--------|
| Projects in progress | 283.86              | -         | -         | -                    | 283.86 |

#### As at March 31, 2024

| Particulars          | Less than<br>1 year | 1-2 Years | 2-3 Years | More than<br>3 years | Total |
|----------------------|---------------------|-----------|-----------|----------------------|-------|
| Projects in progress | -                   | -         | -         | -                    | -     |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 5 Non Current Investment

| Particulars  | Number of Shares |                | Face Value | As at<br>March 31, 2025 | As at<br>March 31, 2024 |  |  |  |
|--|------------------|----------------|------------|-------------------------|-------------------------|--|--|--|
|  | March 31, 2025   | March 31, 2024 |            |                         |                         |  |  |  |
| <b>(Unquoted, Fully Paid Up)</b>                                       |                  |                |            |                         |                         |  |  |  |
| <b>A. Investment in Equity Instruments</b>                             |                  |                |            |                         |                         |  |  |  |
| <b>i) Associate Companies (Carried at Cost)</b>                        |                  |                |            |                         |                         |  |  |  |
| Krasny Paras Defence Technologies Private Limited                      | 5,22,500         | 5,22,500       | 10         | 32.38                   | 34.32                   |  |  |  |
| Controp Paras Technologies Private Limited                             | 3,000            | 3,000          | 10         | 4.69                    | 0.00                    |  |  |  |
| <b>ii) Others (Carried at fair value through Profit &amp; Loss)</b>    |                  |                |            |                         |                         |  |  |  |
| NKGSB Co- Operative Bank Limited                                       | 3,05,600         | 2,84,550       | 10         | 30.57                   | 28.46                   |  |  |  |
| Highlander Aviation Limited  | 87,953           | 87,953         | NIS 0.01   | 1,045.52                | 993.03                  |  |  |  |
| FFS Industries Private Limited   | 9,80,000         | 9,90,000       | 10         | 710.50                  | 1,158.30                |  |  |  |
| Hindustan Agri Drones and SpaceX Limited                               | 1                | 1              | 10         | 0.00                    | 0.00                    |  |  |  |
| <b>B. Investment in 0.01% Compulsory Convertible Preference Shares</b> |                  |                |            |                         |                         |  |  |  |
| (Carried at fair value through Profit & Loss)                          |                  |                |            |                         |                         |  |  |  |
| Logic Fruit Technologies Private Limited                               | 1,800            | -              | 10         | 1,000.01                | -                       |  |  |  |
| <b>Total</b>   |                  |                |            | <b>2,823.67</b>         | <b>2,214.11</b>         |  |  |  |

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
|   |                         |                         |
| Aggregate Amount of Unquoted Investments                  | 2,823.67                | 2,214.11                |
| Aggregate Amount of Quoted Investments and Market Value   | -                       | -                       |
| Investments Carried at fair value through Profit and Loss | 2,786.60                | 2,179.79                |
| Investment Carried at Cost                                | 37.07                   | 34.32                   |

## Note: 6. Trade receivables

| Particulars                | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|----------------------------|-------------------------|-------------------------|
|                            |                         |                         |
| Unsecured, Considered Good | 87.97                   | 51.27                   |
| <b>Total</b>               | <b>87.97</b>            | <b>51.27</b>            |

**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<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------------|-------------------------|-------------------------|
|                              |                         |                         |
| (Unsecured, Considered Good) |                         |                         |
| Loans to Employees           | 1.97                    | 3.39                    |
| <b>Total</b>                 | <b>1.97</b>             | <b>3.39</b>             |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 8. Other Non-current Financial Assets

| Particulars                                    | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Fixed Deposits with Banks held as Margin Money | 785.66                  | 1,966.18                |
| <b>Total</b>                                   | <b>785.66</b>           | <b>1,966.18</b>         |

## Note: 9. Other Non-current Assets

| Particulars                           | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---------------------------------------|-------------------------|-------------------------|
| (unsecured)                           |                         |                         |
| Capital Advances                      |                         |                         |
| - Considered Good                     | 1,327.00                | 471.55                  |
| - Considered Doubtful                 | -                       | 13.20                   |
|                                       | <b>1,327.00</b>         | <b>484.75</b>           |
| Less: Provision for Doubtful Advances | -                       | 13.20                   |
|                                       | <b>1,327.00</b>         | <b>471.55</b>           |
| Prepaid Expenses                      | 129.97                  | 60.06                   |
| Security Deposits                     | 107.27                  | 75.51                   |
| <b>Total</b>                          | <b>1,564.24</b>         | <b>607.12</b>           |

## Note: 10 Inventories

| Particulars                               | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| Raw Materials                             | 6,745.36                | 5,717.05                |
| Raw Materials In Transit                  | 51.85                   | 2.19                    |
| Work-in-Progress                          | 7,964.72                | 8,271.27                |
| Finished Goods                            | 64.31                   | 413.67                  |
| Finished Goods In Transit                 | -                       | 109.50                  |
| Stores, Spares and Consumables            | 162.24                  | 259.43                  |
| Stores, Spares and Consumables in Transit | 1.07                    | -                       |
| Stock in Trade                            | 95.65                   | 173.14                  |
| Stock in Trade in Transit                 | -                       | 74.41                   |
| <b>Total</b>                              | <b>15,085.20</b>        | <b>15,020.66</b>        |

**10.1** For basis of valuation Refer Accounting Policy refer Note No. 1.4 (F)

**10.2** For Inventories hypothecated as security refer Note No 19 and 23

## Note: 11 Trade Receivables

| Particulars                              | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| (Unsecured)                              |                         |                         |
| Considered Good                          | 30,351.39               | 20,456.89               |
| Significant Increase in Credit Risk      | 947.15                  | 787.15                  |
| Credit Impaired                          | 184.93                  | 91.77                   |
|  | <b>31,483.47</b>        | <b>21,335.81</b>        |
| Less: Provision for Expected Credit Loss | 1,820.43                | 1,449.85                |
| Less: Provision for credit impaired      | 184.93                  | 91.77                   |
| <b>Total</b>                             | <b>29,478.11</b>        | <b>19,794.19</b>        |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 11 Trade Receivables (Contd..)

**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, 2025 and March 31, 2024 are as below :-**

**As at March 31, 2025**

| 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                                | 5,076.67        | 8,956.05   | 10,160.06          | 2,217.23        | 4,029.35        | -                 | <b>30,439.36</b> |
| Undisputed Trade Receivables – which have significant increase in credit risk | -               | -  | -                  | 133.98          | 145.64          | 667.53            | <b>947.15</b>    |
| Undisputed Trade Receivables – credit impaired                                | -               | -  | 1.00               | 99.12           | -               | 84.81             | <b>184.93</b>    |
| Disputed Trade receivables – considered good                                  | -               | -  | -                  | -               | -               | -                 | -                |
| Disputed Trade Receivables – which have significant increase in credit risk   | -               | -  | -                  | -               | -               | -                 | -                |
| Disputed Trade Receivables – credit impaired                                  | -               | -  | -                  | -               | -               | -                 | -                |
| <b>Sub Total</b>  | <b>5,076.67</b> | <b>8,956.05</b>  | <b>10,161.06</b>   | <b>2,450.33</b> | <b>4,174.99</b> | <b>752.34</b>     | <b>31,571.44</b> |
| Less: Provision for Credit Impaired   | -               | -  | 1.00               | 99.12           | -               | 84.81             | <b>184.93</b>    |
| <b>Net Trade Receivables</b>  | <b>5,076.67</b> | <b>8,956.05</b>  | <b>10,160.06</b>   | <b>2,351.21</b> | <b>4,174.99</b> | <b>667.53</b>     | <b>31,386.51</b> |
| <b>ECL %</b>  | <b>1.20</b>     | <b>3.03</b>  | <b>3.22</b>        | <b>11.03</b>    | <b>17.47</b>    | <b>25.74</b>      |                  |
| Less: Provision for Expected Credit Loss                                      | 61.15           | 271.69   | 327.04             | 259.30          | 729.40          | 171.84            | 1,820.43         |
| <b>Total</b>  | <b>5,015.52</b> | <b>8,684.36</b>  | <b>9,833.02</b>    | <b>2,091.91</b> | <b>3,445.59</b> | <b>495.69</b>     | <b>29,566.08</b> |

**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        | -                 | <b>20,508.16</b> |
| Undisputed Trade Receivables – which have significant increase in credit risk | -               | -  | 218.40             | 1.96            | 107.46          | 459.33            | <b>787.15</b>    |
| Undisputed Trade Receivables – credit impaired                                | -               | -  | -                  | -               | -               | 91.77             | <b>91.77</b>     |
| Disputed Trade receivables – considered good                                  | -               | -  | -                  | -               | -               | -                 | -                |
| Disputed Trade Receivables – which have significant increase in credit risk   | -               | -  | -                  | -               | -               | -                 | -                |
| Disputed Trade Receivables – credit impaired                                  | -               | -  | -                  | -               | -               | -                 | -                |
| <b>Sub Total</b>  | <b>4,984.28</b> | <b>7,762.17</b>  | <b>1,909.46</b>    | <b>4,960.83</b> | <b>1,219.24</b> | <b>551.10</b>     | <b>21,387.08</b> |
| Less: Provision for Credit Impaired   | -               | -  | -                  | -               | -               | 91.77             | <b>91.77</b>     |
| <b>Net Trade Receivables</b>  | <b>4,984.28</b> | <b>7,762.17</b>  | <b>1,909.46</b>    | <b>4,960.83</b> | <b>1,219.24</b> | <b>459.33</b>     | <b>21,295.31</b> |
| <b>ECL %</b>  | <b>1.66</b>     | <b>2.60</b>  | <b>1.73</b>        | <b>13.81</b>    | <b>22.01</b>    | <b>38.97</b>      |                  |
| Less: Provision for Expected Credit Loss                                      | 82.57           | 202.01   | 33.04              | 684.93          | 268.30          | 178.99            | 1,449.85         |
| <b>Total</b>  | <b>4,901.71</b> | <b>7,560.16</b>  | <b>1,876.42</b>    | <b>4,275.90</b> | <b>950.94</b>   | <b>280.34</b>     | <b>19,845.46</b> |

**11.3** The average credit period on sales of products / services is 0-90 days. No interest is charged on any overdue trade receivables.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 12 Cash and Cash Equivalents

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Cash and Cash Equivalents                                    |                         |                         |
| Balances with Banks in Current Accounts/ Cash Credit Account | 3,425.08                | 286.16                  |
| Cash in hand   | 22.13                   | 12.01                   |
| <b>Total</b>   | <b>3,447.21</b>         | <b>298.17</b>           |

**12.1 For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents comprise the following:**

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Balances with Banks in Current Accounts/ Cash Credit Account | 3,425.08                | 286.16                  |
| Cash on hand   | 22.13                   | 12.01                   |
| <b>Total</b>   | <b>3,447.21</b>         | <b>298.17</b>           |

## Note: 13 Bank Balances Other Than Cash And Cash Equivalents

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Balances with Bank in Monitoring Agency & Escrow Account | 45.85                   | 0.16                    |
| Fixed Deposits with Banks                                |                         |                         |
| - Uncumbered   | 3,986.61                | -                       |
| - Temporary deposits of QIP Proceeds                     | 500.00                  | -                       |
| - Fixed Deposits with Banks Pledged as Margin Money      | 3,103.33                | 842.73                  |
| <b>Total</b>   | <b>7,635.79</b>         | <b>842.89</b>           |

## Note: 14 Loans

| Particulars                                  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| (Unsecured, Considered Good)                 |                         |                         |
| Intercorporate Deposits                      |                         |                         |
| - Related Party (Refer Note No. 14.1 and 37) | -                       | 280.00                  |
| - Others (Refer Note No. 14.1)               | 1,165.00                | 100.00                  |
| Loans to Employees                           | 22.04                   | 15.93                   |
| <b>Total</b>                                 | <b>1,187.04</b>         | <b>395.93</b>           |

**14.1** Above Inter Corporate Deposits are given for Working Capital Requirements

## Note: 15. Other Current Financial Assets

| Particulars                    | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------|-------------------------|-------------------------|
| ( Unsecured, Considered Good ) |                         |                         |
| Unbilled Revenue               | 97.77                   | -                       |
| Interest Receivables           | 22.02                   | 35.68                   |
| Security Deposits              | 30.66                   | 52.49                   |
| Other Receivables              | 77.47                   | 31.96                   |
| <b>Total</b>                   | <b>227.92</b>           | <b>120.13</b>           |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 16 Other Current Assets

| Particulars                            | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Advances to Suppliers, Considered Good | 2,130.63                | 2,708.03                |
| Balances with Government Authorities   | 323.02                  | 717.48                  |
| Export Incentive Receivables           | 2.62                    | 5.19                    |
| Prepaid Expenses                       | 318.42                  | 198.88                  |
| Others *                               | 7.52                    | 1.34                    |
| <b>Total</b>                           | <b>2,782.21</b>         | <b>3,630.92</b>         |

\* Others includes Export scripts in hand and advance for expenses.

## Note: 17 Equity Share Capital

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| <b>Authorised</b>  |                         |                         |
| 6,05,00,000 ( March 31, 2024 : 6,05,00,000 ) Equity Shares of ₹10/- each.              | 6,050.00                | 6,050.00                |
|  | <b>6,050.00</b>         | <b>6,050.00</b>         |
| <b>Issued, Subscribed and Paid up</b>  |                         |                         |
| 4,02,93,665 ( March 31, 2024 : 3,90,00,061 ) Equity Shares of ₹10/- each fully paid up | 4,029.37                | 3,900.00                |
|  | <b>4,029.37</b>         | <b>3,900.00</b>         |
| <b>Total</b>   |                         |                         |

### 17.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year:

| Name of Shareholders                                   | As at March 31, 2025 |                 | As at March 31, 2024 |                 |
|--|----------------------|-----------------|----------------------|-----------------|
|  | No. of Shares        | Amount          | No. of Shares        | Amount          |
| Shares outstanding at the beginning of the year        | 3,90,00,061          | 3,900.00        | 3,90,00,061          | 3,900.00        |
| Add: Issue during the year (QIP) (Refer Note no. 17.2) | 12,93,604            | 129.37          | -                    | -               |
| <b>Shares outstanding at the end of the year</b>       | <b>4,02,93,665</b>   | <b>4,029.37</b> | <b>3,90,00,061</b>   | <b>3,900.00</b> |

**17.2** During the year, the Holding Company made Qualified Institutional Placement (QIP), whereby 12,93,604 Equity Shares of the face value of Re. 10/- each were allotted to the Qualified Institutional Buyers at a premium of ₹ 1,035 per share aggregating to ₹ 13,518.16 Lakhs for QIP related expenses, funding Working Capital requirements and general corporate purposes. Out of the above QIP proceeds, ₹ 12,972.50 Lakhs have been utilised for the above purpose and un-utilised amount have been temporarily invested in term deposits or lying with monitoring agency account.

### 17.3 Details of Shareholders holding more than 5% shares of the Company:

| Name of Shareholders   | As at March 31, 2025 |                 | As at March 31, 2024 |                 |
|------------------------|----------------------|-----------------|----------------------|-----------------|
|                        | No of Shares held    | Percentage held | No of Shares held    | Percentage held |
| Mr. Munjal Sharad Shah | 98,58,137            | 24.47%          | 98,58,137            | 25.28%          |
| Mr. Sharad Virji Shah  | 72,74,840            | 18.05%          | 72,74,840            | 18.65%          |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 17 Equity Share Capital (Contd..)

### 17.4 Details of shares held by promoters and promotor group in the Company.

| Name of Shareholders       | As at March 31, 2025 |                    | As at March 31, 2024 |                    | % Changes<br>From March<br>31, 2025 to<br>March 31, 2024 |
|----------------------------|----------------------|--------------------|----------------------|--------------------|--|
|                            | No of<br>Shares held | Percentage<br>held | No of<br>Shares held | Percentage<br>held |  |
| Mr. Munjal Sharad Shah     | 98,58,137            | 24.47%             | 98,58,137            | 25.28%             | -0.81%   |
| Mr. Sharad Virji Shah      | 72,74,840            | 18.05%             | 72,74,840            | 18.65%             | -0.60%   |
| Mrs. Ami Munjal Shah       | 10,13,008            | 2.51%              | 10,13,008            | 2.60%              | -0.08%   |
| Mr. Anish Hemant Mehta     | 14,20,630            | 3.53%              | 14,20,630            | 3.64%              | -0.12%   |
| Mrs. Kaajal Harsh Bhansali | 14,20,630            | 3.53%              | 14,20,630            | 3.64%              | -0.12%   |
| Ms. Anushka Munjal Shah    | 10,00,000            | 2.48%              | 10,00,000            | 2.56%              | -0.08%   |
| Ms. Jiwanshi Munjal Shah   | 10,00,000            | 2.48%              | 10,00,000            | 2.56%              | -0.08%   |
| 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.

**17.6** Under Paras Defence and Space Technologies Limited - Employee Stock Option Plan 2024, 7,95,000 options have been approved by the shareholders of the Holding Company and out of this 78,450 (as at 31<sup>st</sup> March 2024 Nil) options have been granted (Refer Note No. 41)

**17.7** Subsequent to year end, the Board of Director of the holding Company at their meeting held on April 30, 2025 proposes, sub-division/ split of the existing equity shares of face value of ₹ 10/- fully paid up into two equity shares of face value of ₹ 5/- fully paidup subject to shareholders' approval.

### 17.8 Dividend paid and proposed

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| Dividend declared and paid  | -                       | -                       |
| <b>Proposed Dividend</b>  |                         |                         |
| Dividend proposed for the year ended on March 31, 2025 at ₹ 0.50 per share (face value of ₹ 5/- par (post completion of the Sub-division /Split of equity shares) | 402.94                  | -                       |

**17.9** Proposed Dividends on equity shares are subject to approval at the annual genral meeting of the Holding Company and not recognised as a liability as at March 31, 2025

## Note: 18 Other Equity

| Particulars   | As at March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| <b>Capital Reserve</b>  |                      |                      |
| Balance as per last Balance Sheet   | (808.36)             | (808.36)             |
| <b>Securities Premium</b>   |                      |                      |
| Balance as per last Balance Sheet   | 17,764.39            | 17,799.78            |
| Add: Issue of Equity Share Capital (QIP)<br>(Refer Note No. 17.2 )            | 13,388.80            | -                    |
| Less: Expenses related to issue of Equity Share Capital (QIP) (net of Taxes)* | (293.75)             | -                    |
| Less: Reversal of Deferred Tax (IPO related Expenses)                         | (35.39)              | (35.39)              |
|   | <b>30,824.05</b>     | <b>17,764.39</b>     |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 18 Other Equity (Contd..)

| Particulars                                  | As at March 31, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| <b>Revaluation Reserve</b>                   |                      |                      |
| Balance as per last Balance Sheet            | 4,183.09             | 4,183.09             |
| <b>General Reserve</b>                       |                      |                      |
| Balance as per last Balance Sheet            | 11.92                | 11.92                |
| <b>Retained Earnings</b>                     |                      |                      |
| Balance as per last Balance Sheet            | 19,399.39            | 16,193.38            |
| Add: Profit after tax for the Year           | 6,347.13             | 3,206.01             |
|  | <b>25,746.52</b>     | <b>19,399.39</b>     |
| <b>Share-Based Payment Reserve</b>           |                      |                      |
| Balance as per last Balance Sheet            | -                    | -                    |
| Add: Share Based Payment (Refer Note No. 43) | 24.99                | 24.99                |
| <b>Other Comprehensive Income (OCI)</b>      |                      |                      |
| Balance as per last Balance Sheet            | 10.98                | 45.16                |
| Add: Movement in OCI (Net) during the Year   | (28.68)              | (34.18)              |
|  | <b>(17.70)</b>       | <b>10.98</b>         |
| <b>Total</b>                                 | <b>59,964.51</b>     | <b>40,561.41</b>     |

\* Include ₹ 25.00 lakhs paid to auditor (previous year ₹ Nil)

## 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.

### Share Based payments

Share based payment reserve is created against Paras Defence and Space Technologies Limited - Employee Stock Option Plan 2024 and will be utilised against exercise of the option by the employees on issuance of the Equity Shares.

### 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 19 Non Current Borrowings

| Particulars      | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------|-------------------------|-------------------------|
| <b>Secured</b>   |                         |                         |
| <b>Term Loan</b> |                         |                         |
| - From a Bank*   | 87.57                   | 143.22                  |
| <b>Total</b>     | <b>87.57</b>            | <b>143.22</b>           |

\* Net of Processing Fees of ₹ 1.00 Lakh

**19.1** The term loan from bank includes:

- i) Vehicle Loan of ₹ NIL (March 31, 2024 : ₹ 27.54 lakhs) and ₹ NIL (March 31, 2024 : ₹ 4.98 lakhs ) included in current maturity of Long Term Debts in Note No. 23 taken by Holding Company against lien on respective vehicles.
- During the year, the Holding company has pre- closed and repaid all the Non- current borrowings including current maturities to the bank.
- ii) Vehicle loan of ₹ 4.79 lakhs (March 31, 2024: ₹ 6.64 lakhs) and ₹ 1.86 lakhs (March 31, 2024: ₹ 1.71 lakhs ) 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 39 Equal Monthly Installment ending on 07<sup>th</sup> June 2028 carrying an interest rate @ 8.40 % p.a.
- iii) Term loan of ₹ NIL (31<sup>st</sup> March, 2024 : ₹ 109.04 Lakhs) and ₹ NIL (March 31, 2024 : ₹ 30.22 lakhs) included in current maturity of long Term Debts in Note No. 23 taken by subsidiary company was 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. During the year, the subsidiary company has pre- closed the said term loan.
- iv) Term loan of ₹ 83.78 lakhs and ₹ 16.22 lakhs included in current maturity of long Term Debts in Note No. 23 taken by subsidiary company against lien on respective machineries and respective furniture and fixture and further secured by collateral mortgage of Fixed Deposit of ₹ 20.00 Lakhs. The loan is repayable in 60 Equal monthly installments ending on 28<sup>th</sup> March, 2030 and it carries the interest rate of 10% p.a.

**Maturity profile of Term Loans is as under:**

| Financial Year | Amount |
|----------------|--------|
| 2025-26        | 18.08  |
| 2026-27        | 19.94  |
| 2027-28        | 21.97  |
| 2028-29        | 22.45  |
| 2029-30        | 24.21  |

## Note: 20 Lease Liabilities

| Particulars               | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---------------------------|-------------------------|-------------------------|
| <b>Lease Liabilities:</b> |                         |                         |
| Non-current               | 40.42                   | 85.13                   |
| Current                   | 52.76                   | 34.48                   |
| <b>Total</b>              | <b>93.18</b>            | <b>119.61</b>           |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 20 Lease Liabilities (Contd..)

### 20.1 The balance sheet shows the following amounts relating to leases:

| Particulars                                   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <b>Right-of-use assets (included in PPE):</b> |                         |                         |
| Office Premises                               | 75.88                   | 118.04                  |
| <b>Total</b>                                  | <b>75.88</b>            | <b>118.04</b>           |

Additions to the Right-of-Use assets during the year ended March 31, 2025 were ₹ NIL (March 31, 2024: ₹ 126.84 Lakhs).

### 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<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------|-------------------------|-------------------------|
| Depreciation charge of right-of-use assets |       |                         |                         |
| Office Premises                            | 2     | 42.16                   | 8.80                    |
| <b>Total</b>                               |       | <b>42.16</b>            | <b>8.80</b>             |

| Particulars   | Notes | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------|-------------------------|-------------------------|
| Interest expense (included in finance costs)                        | 32    | 9.80                    | 2.72                    |
| Expense relating to short-term leases (included in other expenses)* | 34    | 71.38                   | 86.74                   |

\* Short term leases, the Company recognised the lease payments as operational expenses on a straight line basis over the lease term.

The cash outflow for the leases for the year ended March 31, 2025 was ₹ 36.23 Lakhs (March 31, 2024: ₹ NIL)

### 20.3 The following is the movement in lease liabilities during the year :

| Particulars                          | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------------|-------------------------|-------------------------|
| Opening Balance                      | 119.61                  | -                       |
| Addition during the year             | -                       | 116.89                  |
| Finance cost accrued during the year | 9.80                    | 2.72                    |
| Payment of lease liabilities         | 36.23                   | -                       |
| <b>Closing Balance</b>               | <b>93.18</b>            | <b>119.61</b>           |

### 20.4 The following is the contractual maturity profile of lease liabilities:

| Particulars            | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------|-------------------------|-------------------------|
| Less than one year     | 58.77                   | 44.28                   |
| One year to five years | 42.08                   | 92.80                   |
| More than five years   | -                       | -                       |
| <b>Closing Balance</b> | <b>100.85</b>           | <b>137.08</b>           |

20.5 Lease liabilities carry an effective interest rate of 9.25% p.a. The lease terms is for a period 5 years.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 21 Non-Current Provision

| Particulars                                  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Provision for Gratuity (Refer Note No. 31.1) | 412.43                  | 303.57                  |
| <b>Total</b>                                 | <b>412.43</b>           | <b>303.57</b>           |

## Note: 22 Income Tax

### 22.1 Current Tax Liability (Net)

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <b>Opening Balance at the beginning of the year</b> | 847.70                  | 787.75                  |
| Current Tax for the year                            | 2,304.59                | 1,304.26                |
| Add: Tax Paid                                       | (1,761.01)              | (1,133.90)              |
| Income tax of the earlier year                      | -                       | (110.41)                |
| <b>Total Current Tax Liability (Net)</b>            | <b>1,391.28</b>         | <b>847.70</b>           |

### 22.2 Current Tax

| Particulars                  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------------|-------------------------|-------------------------|
| Current Tax                  | 2,304.59                | 1,256.79                |
| Income Tax for Earlier Years | -                       | (110.41)                |
| <b>Total</b>                 | <b>2,304.59</b>         | <b>1,146.38</b>         |

### 22.3 The major components of Tax Expense for the year ended March 31, 2025 & March 31, 2024 are as follows:

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <b>Recognised in the Consolidated Statement of Profit and Loss</b>          |                         |                         |
| Current Tax (Refer Note No. 22.1)   | 2,304.59                | 1,146.38                |
| Deferred Tax:-Relating to origination and reversal of temporary differences | (93.67)                 | (103.32)                |
| <b>Total</b>  | <b>2,210.92</b>         | <b>1,043.06</b>         |

### 22.4 Reconciliation between Tax Expense and Accounting Profit multiplied by tax rate for the year ended March 31, 2025 & March 31, 2024:

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Accounting Profit Before Tax   | 8,360.07                | 4,046.85                |
| Applicable tax rate (in %)   | <b>25.17%</b>           | <b>25.17%</b>           |
| Computed Tax Expenses  | 2,104.06                | 1,018.51                |
| <b>Tax effect on account of:</b>   |                         |                         |
| Property, Plant and Equipment, Intangible Assets and Assets Held for Sale              | -                       | 37.11                   |
| Expenses not allowed under Income Tax Act  | (2.40)                  | 31.86                   |
| Deduction allowed under Income Tax Act   | (7.27)                  | (38.41)                 |
| Lower tax rate in case of Foreign Subsidiary Company                                   | (18.87)                 | -                       |
| Current Year Loss adjusted in case of Subsidiaries and Associates Companies            | 71.58                   | 124.71                  |
| Deferred Tax not recognised/ Reversed  | 12.38                   | (20.31)                 |
| Income Tax for Earlier Years   | -                       | (110.41)                |
| Business Losses on which deferred tax not recognised                                   | 51.44                   | -                       |
| <b>Income tax Expenses recognised in the Consolidated Statement of Profit and Loss</b> | <b>2,210.92</b>         | <b>1,043.06</b>         |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 22 Income Tax (Contd..)

### 22.5 Deferred Tax Liabilities relates to the following :

| Particulars  | Balance Sheet           |                         | Statement of Profit and Loss & Other Equity |                                      |
|--|-------------------------|-------------------------|---|--------------------------------------|
|  | As at<br>March 31, 2025 | As at<br>March 31, 2024 | For the year ended<br>March 31, 2025        | For the year ended<br>March 31, 2024 |
| Property, Plant and Equipment, Intangible Assets, Assets Held for Sale and Investment Property | 2,385.80                | 2,419.28                | (33.48)                                     | 1.23                                 |
| Financial Instrument-assets  | (198.60)                | (122.89)                | (75.71)                                     | (6.01)                               |
| Lease Liabilities  | (23.45)                 | (30.10)                 | 6.65  | (30.10)                              |
| IPO issue expenses   | (35.38)                 | (70.76)                 | 35.38                                       | 35.39                                |
| QIP issue expenses   | (74.05)                 | -                       | (74.05)                                     | -                                    |
| Items disallowed as per Income Tax Act, 1961   | (162.07)                | (155.49)                | (6.58)                                      | (79.22)                              |
| <b>Deferred Tax Liabilities / (Assets)</b>   | <b>1,892.25</b>         | <b>2,040.04</b>         | <b>(147.79)</b>                             | <b>(78.71)</b>                       |

### 22.6 Deferred Tax Assets relates to the following :

| Particulars   | Balance Sheet           |                         | Statement of Profit and Loss         |                                      |
|---|-------------------------|-------------------------|--------------------------------------|--------------------------------------|
|   | As at<br>March 31, 2025 | As at<br>March 31, 2024 | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
| Property, Plant and Equipment and Intangible Assets | 15.20                   | (1.65)                  |                                      | (5.39)                               |
| Items disallowed as per Income Tax Act, 1961        | 44.66                   | 6.52                    |                                      | 6.43                                 |
| Unabsorbed Depreciation                             | 10.46                   | 0.38                    |                                      | 0.38                                 |
| Unabsorbed Business Loss                            | -                       | -                       |                                      | -                                    |
| <b>Deferred Tax Assets</b>                          | <b>70.32</b>            | <b>5.25</b>             | <b>2.74*</b>                         | <b>1.42</b>                          |

\* Reversal of previous year deferred tax asset.

**22.7** As at 31<sup>st</sup> March, 2025, the Subsidiary Companies has Net Deferred Tax Assets of ₹ 70.32 Lakhs. In the absence of virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized, the same has not been recognized in the books of account in line with Indian Accounting Standard 12 dealing with "Income Taxes".

### 22.8 Reconciliation of Deferred Tax Liabilities (Net):

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Opening Balance at the beginning of the year   | <b>2,034.79</b>         | <b>2,114.92</b>         |
| Pursuant to the disposal of Subsidiary Company   | 2.51                    | -                       |
| Deferred Tax Expenses/(Income) recognised in the Consolidated Statement of Profit and Loss | (93.67)                 | (103.32)                |
| Deferred Tax Expenses/(Income) recognised in OCI   | (12.71)                 | (12.20)                 |
| Deferred Tax Expenses/(Income) recognised in Securities Premium                            | (38.67)                 | 35.39                   |
| <b>Closing Balance at the end of the year</b>  | <b>1,892.25</b>         | <b>2,034.79</b>         |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 23 Current Financial Liabilities - Borrowings

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <b>Secured</b>  |                         |                         |
| Working Capital Rupee Loans from Banks (Refer Note No. 23.1 and 23.2) | 319.63                  | 5,659.18                |
| Current Maturities of Long Term Debts                                 | 18.08                   | 36.91                   |
| <b>Unsecured</b>  |                         |                         |
| Loans From Directors (Refer Note No. 23.3 and 37)                     | 45.75                   | 9.35                    |
| Loan from others (Refer Note No. 23.4)                                | 1,838.10                | 612.10                  |
| <b>Total</b>  | <b>2,221.56</b>         | <b>6,317.54</b>         |

### 23.1 The working capital Loans from banks includes:

- (i) ₹ NIL (March 31, 2024: ₹ 1,385.15 lakhs) 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 400706, 3) Penthouse No. 11, 13<sup>th</sup> & 14<sup>th</sup> 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.
- (ii) ₹ NIL (March 31, 2024: ₹ 1,782.86 lakhs) 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 400706, 3) Penthouse No. 11, 13<sup>th</sup> & 14<sup>th</sup> 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.
- (iii) ₹ NIL (March 31, 2024: ₹ 188.27 lakhs) 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 400706 and 3) Plot no. M-6, MIDC, Additional Ambernath Industrial Area, Ambernath-421506, Maharashtra, India.
- (iv) ₹ NIL (31<sup>st</sup> March 2024: ₹ 2,055.88 Lakhs) taken by Subsidiary company and was 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.
- (v) The Bank Overdraft of ₹ 256.51 Lakhs (31<sup>st</sup> March 2024: ₹ 247.02 Lakhs) 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 working capital carries interest rate of 8.20%.p.a.
- (vi) ₹ 63.12 lakhs is taken by Subsidiary company and is secured by way of hypothecation of stocks & book-debts and further secured by collateral mortgage of Fixed Deposit of ₹ 40 Lakhs for the entire facility. The above working capital carries interest rate @ ROI @ PLR-6.75% i.e 10%.p.a.

**23.2** The working capital facility of subsidiary company referred to above is guaranteed by directors in their personal capacity.

**23.3** The Loan from director is repayable on demand and it is interest free.

**23.4** The Loan from Others includes:

- (i) ₹ 1165.00 lakhs (March 31, 2024: ₹ NIL) taken by Subsidiary company is repayable on or before March 31, 2026 and carries interest rate of 12% p.a .
- (ii) ₹ 61.00 lakhs (March 31, 2024: ₹ NIL) taken by Subsidiary company and is repayable on or before June 30, 2025 and it carries Interest rate of 12% p.a.
- (iii) ₹ 612.10 lakhs (March 31, 2024: ₹ 612.10 lakhs) taken by Subsidiary company is repayable on demand and it is interest free.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 24 Trade Payables

| Particulars                         | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------------|-------------------------|-------------------------|
| Micro, Small and Medium Enterprises | 2,174.78                | 1,163.42                |
| Others                              | 3,284.09                | 4,934.65                |
| <b>Total</b>                        | <b>5,458.87</b>         | <b>6,098.07</b>         |

### 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<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year   | 2,174.78                | 1,163.42                |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year  | 33.76                   | 15.58                   |
| (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  | 33.76                   | 15.58                   |
| (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, 2025

| Particulars       | Not due         | Outstanding from due date of payment as at March 31, 2025 |               |               |                      |          | Total           |
|-------------------|-----------------|---|---------------|---------------|----------------------|----------|-----------------|
|                   |                 | Less than<br>1 Year                                       | 1-2 Years     | 2-3 years     | More than<br>3 years |          |                 |
| MSME              | 1,785.95        | 338.34  | 50.08         | 0.41          | -                    | -        | 2,174.78        |
| Others            | 941.27          | 1,606.20  | 535.65        | 151.17        | 49.80                | -        | 3,284.09        |
| Disputed - MSME   | -               | -   | -             | -             | -                    | -        | -               |
| Disputed - Others | -               | -   | -             | -             | -                    | -        | -               |
| <b>Total</b>      | <b>2,727.22</b> | <b>1,944.54</b>   | <b>585.73</b> | <b>151.58</b> | <b>49.80</b>         | <b>-</b> | <b>5,458.87</b> |

#### As at March 31, 2024

| Particulars       | Not due         | Outstanding from due date of payment as at March 31, 2024 |               |               |                      |          | Total           |
|-------------------|-----------------|---|---------------|---------------|----------------------|----------|-----------------|
|                   |                 | Less than<br>1 Year                                       | 1-2 Years     | 2-3 years     | More than<br>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 | -               | -   | -             | -             | -                    | -        | -               |
| <b>Total</b>      | <b>2,169.27</b> | <b>3,620.68</b>   | <b>184.35</b> | <b>115.79</b> | <b>7.98</b>          | <b>-</b> | <b>6,098.07</b> |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 25 Other Current Financial Liabilities

| Particulars                  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------------|-------------------------|-------------------------|
| Interest Accrued and due     | 134.05                  | 15.60                   |
| Interest Accrued but not due | 8.85                    | 69.32                   |
| Creditors for Capital Goods  | 76.10                   | 152.91                  |
| Security Deposit             | 2.70                    | 1.55                    |
| Other Payables *             | 508.63                  | 366.76                  |
| <b>Total</b>                 | <b>730.33</b>           | <b>606.14</b>           |

\* Other Payables mainly includes outstanding liability for expenses and payable to employees.

## Note: 26 Other Current Liabilities

| Particulars                          | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------------|-------------------------|-------------------------|
| Advances from Customers              | 8,533.99                | 2,994.75                |
| Statutory Liabilities                | 223.92                  | 76.37                   |
| Unearned Revenue                     | 413.48                  | 83.26                   |
| Advance against Assets held for Sale | 50.00                   | -                       |
| <b>Total</b>                         | <b>9,221.39</b>         | <b>3,154.38</b>         |

## Note 27 Current Provision

| Particulars                                  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Provision for Gratuity (Refer Note No. 31.1) | 25.01                   | 15.00                   |
| <b>Total</b>                                 | <b>25.01</b>            | <b>15.00</b>            |

## Note: 28 Revenue From Operations

| Particulars                        | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|------------------------------------|--------------------------------------|--------------------------------------|
| Sale of Products                   | 36,192.48                            | 22,480.82                            |
| Sale of Services / Job Work Income | 268.07                               | 2,864.77                             |
| Other Operating revenue            | 5.57                                 | 4.23                                 |
| <b>Total</b>                       | <b>36,466.12</b>                     | <b>25,349.82</b>                     |

### 28.1 Revenue Disaggregation by type of Products and Services as follows :

| Particulars                 | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|-----------------------------|--------------------------------------|--------------------------------------|
| Optics and Optronic Systems | 17,737.00                            | 6,939.18                             |
| Defence Engineering         | 18,729.12                            | 18,410.64                            |
| <b>Total</b>                | <b>36,466.12</b>                     | <b>25,349.82</b>                     |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 28 Revenue From Operations (Contd..)

### 28.2 Revenue disaggregation by geography is as follows:

| Particulars   | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---------------|--------------------------------------|--------------------------------------|
| India         | 31,076.50                            | 21,768.99                            |
| Outside India | 5,389.62                             | 3,581.13                             |
| <b>Total</b>  | <b>36,466.12</b>                     | <b>25,349.82</b>                     |

### 28.3 Contract balances

| Particulars                               | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Trade Receivables (Refer Note No. 6 & 11) | 29,566.08                            | 19,845.46                            |
| Contract Assets/ Unbilled Revenue         | 97.77                                | -                                    |
| Contract Liabilities (Refer Note No. 26)  | 8,533.99                             | 2,994.75                             |
| Unearned Revenue (Refer Note No. 26)      | 413.48                               | 83.26                                |
| <b>Total</b>                              | <b>38,611.33</b>                     | <b>22,923.47</b>                     |

**28.4** The amount of ₹ 1901.81 lakhs (March 31, 2025) is ₹ 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<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Contract Price   | 36,466.12                            | 25,356.20                            |
| Reduction towards variable considerations components * | -                                    | 6.38                                 |
| <b>Total</b>   | <b>36,466.12</b>                     | <b>25,349.82</b>                     |

\*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, 2025 amounts to ₹ 5462.02 Lakhs (March 31, 2024 : ₹ 1,988.12 Lakh).

**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<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Dividend Income from Non Current Investment                                 | 1.94                                 | 0.37                                 |
| Interest Income from Financial assets measured at amortised cost            |                                      |                                      |
| - Fixed Deposits with Banks   | 315.89                               | 173.07                               |
| - Interest on loans   | 11.59                                | 146.08                               |
| - Others  | 3.69                                 | 4.23                                 |
| Rent Income   | 10.10                                | 5.94                                 |
| Export Incentives   | 28.88                                | 14.40                                |
| Gain on Financial Instruments measured at fair value through profit or loss | 189.69                               | 475.46                               |
| Profit on sale of Investment  | 149.00                               | -                                    |
| Profit on sale/ discard of Property, Plant and Equipment                    | -                                    | 1.21                                 |
| Corporate Guarantee Commission (Refer Note No. 38)                          | 2.55                                 | -                                    |
| Miscellaneous Income  | 78.89                                | 6.41                                 |
| <b>Total</b>  | <b>792.22</b>                        | <b>827.17</b>                        |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 30 Changes In Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade

| Particulars  | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| <b>Closing Inventories</b>                             |                                      |                                      |
| Finished Goods   | 64.31                                | 413.67                               |
| Finished Goods-in Transit                              | -                                    | 109.50                               |
| Stock in Trade   | 95.65                                | 173.14                               |
| Stock in Trade in Transit                              | -                                    | 74.41                                |
| Work-in-Progress                                       | 7,964.72                             | 8,271.27                             |
|  | <b>8,124.68</b>                      | <b>9,041.99</b>                      |
| <b>Opening Inventories</b>                             |                                      |                                      |
| 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                             |
| Less : Transfer to Intangible Assets under development | (13.88)                              | -                                    |
|  | <b>9,028.11</b>                      | <b>5,707.64</b>                      |
| <b>Increase/(decrease) in Inventories</b>              | <b>903.43</b>                        | <b>(3,334.35)</b>                    |

## Note: 31 Employee Benefits Expense

| Particulars                                      | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Salaries, Wages & Allowances                     | 3,481.44                             | 2,885.60                             |
| Contribution to Provident and Other Funds        | 120.26                               | 88.53                                |
| Employee Share Based Payment (Refer Note No. 43) | 24.99                                | -                                    |
| Welfare and Other Amenities                      | 125.45                               | 115.74                               |
| <b>Total</b>                                     | <b>3,752.14</b>                      | <b>3,089.87</b>                      |

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<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>(a) Contribution to Defined Contribution Plan, recognised as expense for the year are as under</b> |                                      |                                      |
| Employer's Contribution to Provident Fund and ESIC  | 49.86                                | 33.57                                |

### (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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 31 Employee Benefits Expense (Contd..)

### Unfunded - Two Subsidiary Companies

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<br>March 31, 2025                            | As at<br>March 31, 2024                            |
|------------------------------|--|--|
| <b>Actuarial Assumptions</b> |  |  |
| Mortality Table              | Indian Assured Lives<br>Mortality (2012-14)<br>Ult | Indian Assured Lives<br>Mortality (2012-14)<br>Ult |
| Salary growth                | 9.00%  | 9.00%  |
| Discount rate                | 6.59/6.73%   | 7.19%  |
| Withdrawal Rate              | 15.00%   | 11.00%   |

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <b>Movement in present value of Defined Benefit Obligation</b>    |                         |                         |
| Defined Benefit Obligations at the beginning of the year          | 350.51                  | 250.51                  |
| Current Service Cost  | 46.67                   | 37.97                   |
| Interest Cost   | 25.20                   | 18.52                   |
| Actuarial Loss  | 50.05                   | 48.47                   |
| Benefits Paid   | (10.14)                 | (4.96)                  |
| Liability Transferred In/ Acquisitions                            | -                       | -                       |
| <b>Defined Benefit Obligations at the end of the year</b>         | <b>462.29</b>           | <b>350.51</b>           |
| <b>Movement in present value of plan assets</b>                   |                         |                         |
| Fair value at the beginning of the year                           | 31.94                   | 25.10                   |
| Employer Contribution   | 1.20                    | 9.93                    |
| Interest Income   | 2.30                    | 1.85                    |
| Benefits Paid   | (10.15)                 | (4.96)                  |
| Return on Plan Assets, Excluding Interest Income                  | (0.44)                  | 0.02                    |
| <b>Fair value at the end of the year</b>                          | <b>24.85</b>            | <b>31.94</b>            |
| <b>Expense recognised in the Statement of Profit and Loss</b>     |                         |                         |
| Current Service Cost  | 46.67                   | 35.98                   |
| Interest on Defined Benefit Obligations                           | 22.90                   | 16.67                   |
| <b>Total included in "Remuneration and Benefits to Employees"</b> | <b>69.57</b>            | <b>52.65</b>            |
| <b>Amount recognised in Other Comprehensive Income</b>            |                         |                         |
| <b>Components of Actuarial (gain)/loss on obligations</b>         |                         |                         |
| Due to changes in financial assumptions                           | 11.89                   | 3.97                    |
| Due to changes in demographic assumptions                         | (8.66)                  | -                       |
| Due to experience adjustments                                     | 47.26                   | 44.50                   |
| <b>Total</b>  | <b>50.49</b>            | <b>48.47</b>            |

### (c) Fair Value of assets

| Particulars                         | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------------|-------------------------|-------------------------|
| Life Insurance Corporation of India | 24.85                   | 31.94                   |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 31 Employee Benefits Expense (Contd..)

- (d) Net Liability recognised in balance sheet

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| Present Value of Obligations at the end of the year     | 462.29                  | 350.51                  |
| Less : Fair Value of Plan Assets at the end of the year | 24.85                   | 31.94                   |
| <b>Net Liability recognised in balance sheet</b>        | <b>437.44</b>           | <b>318.57</b>           |
| Funded - Net Liability                                  | 431.55                  | 316.58                  |
| Unfunded - Net Liability                                | 5.89                    | 1.99                    |

- (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                               | As at<br>March 31, 2025                  | As at<br>March 31, 2024 |
|---|--|-------------------------|
|   | Effect on Gratuity Increase / (Decrease) |                         |
| Discount Rate + 100 basis points          | (18.88)                                  | (19.33)                 |
| Discount Rate - 100 basis points          | 20.86                                    | 21.52                   |
| Salary Escalation Rate + 100 basis points | 17.13                                    | 17.94                   |
| Salary Escalation Rate - 100 basis points | (15.98)                                  | (16.42)                 |
| Withdrawal Rate + 100 basis points        | (2.54)                                   | (1.74)                  |
| Withdrawal Rate - 100 basis points        | 2.75                                     | 1.90                    |

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, 2026                   | 104.46           |
| March 31, 2027                   | 55.53            |
| March 31, 2028                   | 63.04            |
| March 31, 2029                   | 44.63            |
| March 31, 2030                   | 43.81            |
| March 31, 2031 to March 31, 2035 | 174.42           |
| March 31, 2036 and above         | 171.14           |

## 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 31 Employee Benefits Expense (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 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 5-12 years (March 31, 2024 : 9.00 years).

## Note: 32 Finance Costs

| Particulars   | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Interest Expenses on Financial Liabilities measured at amortised cost | 397.37                               | 351.63                               |
| Interest Expenses on Lease Liabilities                                | 9.80                                 | 2.72                                 |
| Other Borrowing Costs (Refer Note No. 32.1)                           | 255.05                               | 189.60                               |
| <b>Total</b>  | <b>662.22</b>                        | <b>543.95</b>                        |

**32.1** Above includes, Interest of ₹ 130. 74 lakhs ( March 31, 2024: ₹ 55.34 Lakhs) on late payment of Advance Tax.

## Note: 33 Depreciation and Amortisation Expenses

| Particulars  | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Depreciation of Property, Plant and Equipment (Refer Note No. 2) | 1,457.11                             | 1,222.48                             |
| Depreciation of Investment Property (Refer Note No. 3)           | 6.15                                 | 67.97                                |
| Amortisation of Intangible Assets (Refer Note No. 4)             | 29.76                                | 45.70                                |
| <b>Total</b>   | <b>1,493.02</b>                      | <b>1,336.15</b>                      |

## Note: 34 Other Expenses

| Particulars                             | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>MANUFACTURING EXPENSES</b>           |                                      |                                      |
| Consumables, Stores and Spares Consumed | 567.67                               | 432.17                               |
| Power and Fuel                          | 411.29                               | 359.84                               |
| Labour Charges                          | 255.22                               | 295.29                               |
| Repairs and Maintenance - Others        | 183.05                               | 196.18                               |
| Job Processing charges                  | 682.03                               | 400.74                               |
| Design and Development Charges          | 53.73                                | 122.51                               |
| Drone Pilot Training Services           | -                                    | 129.03                               |
| Other Manufacturing Expenses            | 273.86                               | 81.15                                |
| <b>Total</b>                            | <b>2,426.85</b>                      | <b>2,016.91</b>                      |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 34 Other Expenses (Contd..)

| Particulars   | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>SELLING AND DISTRIBUTION EXPENSES</b>                        |                                      |                                      |
| Advertisement and Business Promotion                            | 392.41                               | 359.06                               |
| Packing & Forwarding Expenses                                   | 30.10                                | 24.29                                |
| Freight Outward   | 57.32                                | 39.28                                |
| Others  | 14.23                                | 15.04                                |
|   | <b>494.06</b>                        | <b>437.67</b>                        |
| <b>ADMINISTRATIVE EXPENSES</b>                                  |                                      |                                      |
| Insurance   | 55.24                                | 41.05                                |
| Rent  | 71.38                                | 86.74                                |
| Rates and Taxes   | 111.96                               | 119.19                               |
| Printing and Stationery   | 22.17                                | 20.50                                |
| Communication Expenses  | 12.83                                | 10.85                                |
| Travelling and Conveyance                                       | 748.33                               | 562.92                               |
| Legal and Professional Charges                                  | 130.36                               | 203.87                               |
| Payment to Auditors (Refer Note No. 34.1)                       | 89.38                                | 85.35                                |
| Security Expenses   | 38.30                                | 33.40                                |
| Office Expenses   | 136.86                               | 120.88                               |
| Director Sitting fees   | 24.00                                | 24.00                                |
| Postages and Courier  | 42.00                                | 25.96                                |
| Miscellaneous Expenses  | 132.87                               | 146.30                               |
|   | <b>1,615.68</b>                      | <b>1,481.01</b>                      |
| <b>OTHER EXPENSES</b>   |                                      |                                      |
| Bank Charges  | 244.63                               | 246.15                               |
| Bad Debts / Advances written off (Net)                          | 140.66                               |                                      |
| Less: Reversal of provision                                     | 13.20                                | 127.46                               |
| Provision for Credit Impaired                                   |                                      | 99.12                                |
| Provision for Expected Credit Loss                              |                                      | 363.31                               |
| Provision for Doubtful Advances                                 |                                      | -                                    |
| Donation  | 38.15                                | 50.75                                |
| Corporate Social Responsibility Expenditure (Refer Note No. 38) | 88.00                                | 69.00                                |
| Loss on sale/ discard of Assets (Net)                           | 14.45                                | -                                    |
| Loss on Foreign Currency Fluctuations (Net)                     | 59.26                                | 10.94                                |
| Late Delivery charges   | 399.36                               | 46.00                                |
| Corporate Guarantee Fees Taken                                  |                                      | -                                    |
|   | <b>1,433.74</b>                      | <b>1,160.40</b>                      |
| <b>Total</b>  | <b>5,970.33</b>                      | <b>5,095.99</b>                      |

### 34.1 Break-up of Payment to Auditors :

| Particulars                   | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|-------------------------------|--------------------------------------|--------------------------------------|
| For Statutory Audit           | 51.61                                | 45.75                                |
| For Quarterly Review Fees     | 22.74                                | 24.00                                |
| For Tax Audit                 | 11.50                                | 11.00                                |
| For Certification charges     | 2.68                                 | 4.00                                 |
| For Reimbursement of Expenses | 0.85                                 | 0.60                                 |
| <b>Total</b>                  | <b>89.38</b>                         | <b>85.35</b>                         |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 35 Earnings Per Share

| Particulars                                       | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>Basic Earnings Per Share</b>                   |                                      |                                      |
| Profit for the Year                               | 6,347.13                             | 3,206.01                             |
| Weighted average number of Equity Shares (Nos.)   | 3,96,23,826                          | 3,90,00,061                          |
| Basic Earnings Per Share of ₹10/- each            | 16.02                                | 8.22                                 |
| <b>Diluted Earnings Per Share</b>                 |                                      |                                      |
| Amount available for calculation of Diluted EPS   | 6,365.83                             | 3,206.01                             |
| Weighted average number of Equity Shares (Nos.)   | 3,96,23,826                          | 3,90,00,061                          |
| Add : Potential number of Equity Shares           | -                                    | -                                    |
| No. of shares used for calculation of Diluted EPS | 3,96,23,826                          | 3,90,00,061                          |
| Diluted Earnings Per Share of ₹10/- each          | 16.02*                               | 8.22                                 |

\* As the Diluted Earnings Per Share is anti-dilutive, Basic Earnings per share has been considered as Diluted earnings per share.

## Note: 36 Contingent Liabilities And Commitments

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| <b>A Contingent Liabilities (to the extent not provided for)</b>                         |                         |                         |
| Claims against the Company not acknowledged as debts                                     |                         |                         |
| <b>I Disputed Liabilities in Appeal (No Cash outflow is expected in the near future)</b> |                         |                         |
| INCOME TAX*  | 74.04                   | 86.44                   |
| Goods and Service Tax  | 15.16                   | 15.16                   |
| <b>II GUARANTEES</b>   |                         |                         |
| Guarantees given by the Company's Bankers  | 24,236.78               | 15,357.77               |
| (Bank guarantees are provided under contractual / legal obligation)                      |                         |                         |
| Corporate Guarantee given by the Company   | 500.00                  | -                       |
| <b>III LETTER OF CREDIT OUTSTANDING</b>  |                         |                         |
| Letters of Credit opened in favour of Suppliers  | -                       | 755.84                  |
| (Cash flow is expected on receipt of material from suppliers)                            |                         |                         |
| <b>B Capital Commitments :</b>   |                         |                         |
| Estimated amount of contracts to be executed on capital account not provided for         | 1,413.92                | 1,010.60                |

\*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

#### 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)

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 37 Related Party Disclosures : (Contd..)

- iv Mr. Harsh Bhansali (Chief Financial Officer)
- v Mr. Hemalkumar Hirenbai Sagalia (till December 13, 2023)
- vi Ms. Jajvalya Raghavan (Company Secretary) (w.e.f February 09, 2024)

### 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
- ii Paras Green UAV Private Limited (Formerly Known as Paras Green Optics Private Limited) (w.e.f March 28, 2025)

#### A. Transactions with Related Parties :

| Nature of Transactions                          | Name of the Related Parties                       | 2024-25 | 2023-24 |
|---|---|---------|---------|
| <b>Transactions with Associates:</b>            |   |         |         |
| Purchase of Investment                          | Controp Paras Technologies Private Limited        | -       | 0.30    |
| Lease Rent Deposits Received                    | Controp Paras Technologies Private Limited        | -       | 0.30    |
| Lease Rent Deposit Repaid                       | Krasny Paras Defence Technologies Private Limited | 0.75    | -       |
| Income - Lease Rent                             | Krasny Paras Defence Technologies Private Limited | -       | 2.64    |
|   | Controp Paras Technologies Private Limited        | 1.20    | 0.30    |
| Loan Given                                      | Controp Paras Technologies Private Limited        | 11.70   | -       |
| Loan Repaid                                     | Controp Paras Technologies Private Limited        | 11.70   | -       |
| Interest on Loan Given                          | Controp Paras Technologies Private Limited        | 0.29    | -       |
| <b>Transactions with other Related Parties:</b> |   |         |         |
| Lease Rent Deposits Received                    |   | 0.90    | -       |
| Income - Lease Rent                             |   | 3.20    | -       |
| Corporate Guarantee given                       |   | 500.00  | -       |
| Corporate Guarantee Income                      | Paras Green UAV Private Limited                   | 2.55    | -       |
| Loan Given                                      |   | 20.15   | -       |
| Loan repaid                                     |   | 20.15   | -       |
| Interest on Loan Given                          |   | 0.73    | -       |
| Director Sitting Fees                           | Mr. Sharad Shah                                   | 6.00    | 6.00    |
|   | Mr. Munjal Sharad Shah                            | 84.00   | 84.00   |
|   | Mrs. Shilpa Amit Mahajan                          | 38.70   | 38.36   |
| Managerial Remuneration                         | Mr. Harsh Bhansali                                | 60.73   | 48.00   |
|   | Mr. Hemalkumar Hirenbai Sagalia                   | -       | 12.53   |
|   | Ms. Jajvalya Raghavan                             | 22.77   | 4.34    |
|   | Mrs. Kaajal Bhansali                              | 36.00   | 36.00   |
| Salary to relatives                             | Mrs. Ami Munjal Shah                              | 60.00   | 60.00   |
|   | Mr. Amit Mahajan                                  | 60.73   | 48.00   |
|   | Mr. Anish Mehta                                   | 55.10   | 36.00   |
| Rent Expense                                    |   | 4.00    | 6.00    |
| Loans Taken                                     | Mr. Munjal Sharad Shah                            | 48.24   | 60.25   |
| Loans Repaid                                    |   | 3.24    | 66.00   |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 37 Related Party Disclosures : (Contd..)

| Nature of Transactions                                  | Name of the Related Parties           | 2024-25 | 2023-24 |
|---|---------------------------------------|---------|---------|
| Income - Lease Rent                                     |                                       | 3.00    | 3.00    |
| Purchase of Goods                                       |                                       | 232.64  | 553.21  |
| Intercorporate Deposit given                            |                                       | -       | 855.00  |
| Intercorporate Deposit repaid                           |                                       | 280.00  | 575.00  |
| Interest on Intercorporate Deposit given                | Defspace Technologies Private Limited | 4.78    | 62.79   |
| Advance Given   |                                       | 323.20  | -       |
| Advance Returned against cancellation of purchase order |                                       | 844.33  | -       |

### B. Balances with Related Parties:

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| <b>Balances with Associate Companies:</b>                |                         |                         |
| <b>Investment</b>  |                         |                         |
| Krasny Paras Defence Technologies Private Limited        | 52.25                   | 52.25                   |
| Controp Paras Technologies Private Limited               | 0.30                    | 0.30                    |
| <b>Lease rent receivable</b>                             |                         |                         |
| Krasny Paras Defence Technologies Private Limited        | -                       | 1.77                    |
| <b>Security Deposits (Current Financial Liabilities)</b> |                         |                         |
| Krasny Paras Defence Technologies Private Limited        | -                       | 0.75                    |
| Controp Paras Technologies Private Limited               | 0.30                    | 0.30                    |
| <b>Advance from Customer</b>                             |                         |                         |
| Controp Paras Technologies Private Limited               | 2934.91                 | -                       |
| <b>Balances with other Related Parties:</b>              |                         |                         |
| <b>Current-Borrowings - Loan</b>                         |                         |                         |
| Mr. Munjal Sharad Shah                                   | 45.75                   | 9.35                    |
| <b>Other Payables (Salary Payable)</b>                   |                         |                         |
| Mr. Munjal Sharad Shah                                   | 3.28                    | 4.90                    |
| Mrs. Ami Munjal Shah                                     | 3.48                    | 3.48                    |
| Mrs. Shilpa Mahajan                                      | 8.89                    | 2.21                    |
| Mr. Harsh Bhansali                                       | 4.37                    | 3.54                    |
| Mrs. Kaajal Bhansali                                     | 8.98                    | 2.09                    |
| Mr. Amit Mahajan   | 11.32                   | 1.04                    |
| Mr. Anish Mehta  | 7.87                    | 4.17                    |
| Ms. Jajvalya Raghavan                                    | 1.68                    | 1.51                    |
| <b>Trade Payable</b>                                     |                         |                         |
| Defspace Technologies Private Limited                    | -                       | 17.18                   |
| <b>Advance to Supplier</b>                               |                         |                         |
| Defspace Technologies Private Limited                    | 226.81                  | 527.08                  |
| <b>Security Deposits (Current Financial Liabilities)</b> |                         |                         |
| Defspace Technologies Private Limited                    | 0.50                    | 0.50                    |
| Paras Green UAV Private Limited                          | 0.90                    | -                       |
| <b>Intercorporate Deposits Given</b>                     |                         |                         |
| Defspace Technologies Private Limited                    | -                       | 280.00                  |
| <b>Interest Receivable</b>                               |                         |                         |
| Defspace Technologies Private Limited                    | -                       | 20.70                   |
| <b>Corporate Guarantee Given</b>                         |                         |                         |
| Paras Green UAV Private Limited                          | 500.00                  | -                       |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 37 Related Party Disclosures : (Contd..)

- C. Compensation to Key Management Personnel of the Company

| Particulars   | 2024-25       | 2023-24       |
|---|---------------|---------------|
| <b>Nature of transaction</b>                          |               |               |
| Short-term employee benefits                          | 206.20        | 187.23        |
| Post-employment benefits                              | 6.94          | 22.08         |
| <b>Total compensation to Key Management Personnel</b> | <b>213.14</b> | <b>209.31</b> |

## Note :38 Expenditure related to Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 read with Schedule VII.

- a. 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 ₹ 78.80 lakhs (March 31, 2024 : ₹ 66.49 lakhs)
- b. Expenditure incurred related to Corporate Social Responsibility is ₹ 88.00 Lakhs (March 31, 2024 : ₹ 69.00 Lakhs)
- c. Amount shortfall ₹ NIL (March 31, 2024: ₹Nil)

Details of Expenditure incurred towards CSR given below:

| Particulars  | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Environmental Sustainability and Animal Welfare                          | 30.00                                | 20.00                                |
| Health Care, Sanitation and providing Drinking Water                     | 43.00                                | 10.00                                |
| Promoting Education  | 13.00                                | 35.00                                |
| Reducing inequalities faced by socially and economically backward groups | 2.00                                 | 4.00                                 |
| <b>TOTAL</b>   | <b>88.00</b>                         | <b>69.00</b>                         |

**38.1** During the year ended, the Company has contributed above amount and received certificates / management confirmation stating that unspent amount of ₹10.00 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<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| <b>Financial Assets designated at Fair Value through profit and loss:-</b> |                         |                         |
| - Investments  | 2,786.60                | 2,179.79                |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 39 FAIR VALUES (Contd..)

- b) Financial Assets / Liabilities designated at Amortised Cost:-

| Name of Shareholders  | As at March 31, 2025 |                  | As at March 31, 2024 |                  |
|---|----------------------|------------------|----------------------|------------------|
|   | Carrying Value       | Fair Value       | Carrying Value       | Fair Value       |
| <b>Financial Assets :</b>                                   |                      |                  |                      |                  |
| <b>Financial Assets designated at Amortised Cost:-</b>      |                      |                  |                      |                  |
| - Trade Receivables   | 29,566.08            | 29,566.08        | 19,845.46            | 19,845.46        |
| - Cash and cash equivalents                                 | 3,447.21             | 3,447.21         | 298.17               | 298.17           |
| - Bank Balance other than Cash and Cash Equivalents         | 7,635.79             | 7,635.79         | 842.89               | 842.89           |
| - Loans   | 1,189.01             | 1,189.01         | 399.32               | 399.32           |
| - Others  | 1,013.58             | 1,013.58         | 2,086.31             | 2,086.31         |
| <b>Total</b>  | <b>42,851.67</b>     | <b>42,851.67</b> | <b>23,472.15</b>     | <b>23,472.15</b> |
| <b>Financial Liabilities :</b>                              |                      |                  |                      |                  |
| <b>Financial Liabilities designated at Amortised Cost:-</b> |                      |                  |                      |                  |
| - Borrowings  | 2,309.13             | 2,309.13         | 6,460.76             | 6,460.76         |
| - Trade Payable   | 5,458.87             | 5,458.87         | 6,098.07             | 6,098.07         |
| - Lease Liabilities   | 93.18                | 93.18            | 119.61               | 119.61           |
| - Other Financial Liabilities                               | 730.33               | 730.33           | 606.14               | 606.14           |
| <b>Total</b>  | <b>8,591.51</b>      | <b>8,591.51</b>  | <b>13,284.58</b>     | <b>13,284.58</b> |

### 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.

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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 39 FAIR VALUES (Contd..)

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, 2025 |         |          |
|--|----------------------|---------|----------|
|  | Level 1              | Level 2 | Level 3  |
| <b>Financial Assets</b>  |                      |         |          |
| <b>Financial Assets designated at Fair Value through profit and loss:-</b> |                      |         |          |
| Investments in Equity of Co-operative Bank                                 | -                    | -       | # 30.57  |
| Investment in Equity Shares  | -                    | -       | 1,756.02 |
| Investment in 0.01% Compulsory Convertible Preference Shares               | -                    | -       | 1,000.01 |

| Particulars  | As at March 31, 2024 |         |          |
|--|----------------------|---------|----------|
|  | Level 1              | Level 2 | Level 3  |
| <b>Financial Assets</b>  |                      |         |          |
| <b>Financial Assets designated at Fair Value through profit and loss:-</b> |                      |         |          |
| Investments in Equity of Co-operative Bank                                 | -                    | -       | # 28.46  |
| Investment in Equity Shares  | -                    | -       | 2,151.33 |

Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy as at March 31, 2025 and March 31, 2024

| Particulars  | As at<br>March 31, 2025 | Valuation<br>Technique                     | Input used   |
|--|-------------------------|--|--|
| <b>Financial Assets designated at fair value through profit and loss:-</b> |                         |  |  |
| - Investment in unlisted equity shares                                     | 1,045.52                | Based on professional valuer's certificate | Market approach- Comparable Transactions Multiple Method |
| - Investment in unlisted equity shares                                     | 710.50                  | Market approach                            | Recent Precedent Transaction                             |
| - Investment in 0.01% Compulsory Convertible Preference Shares             | 1,000.01                | Based on professional valuer's certificate | Income Approach (Discounted Cash flow)                   |

| Particulars  | As at<br>March 31, 2024 | Valuation<br>Technique                     | Input used   |
|--|-------------------------|--|--|
| <b>Financial Assets designated at fair value through profit and loss:-</b> |                         |  |  |
| - 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                  |

\* since the investments under level 3 of the fair value hierarchy as at March 31, 2025 and March 31, 2024 category are not material, therefore the disclosure for the same is not given.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## 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, 2025 and March 31, 2024

#### (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, AED 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, 2025 | Currency | Amount in FC | Amount in INR |
|---|----------|--------------|---------------|
| Investment  | USD      | 12,21,667    | 1,045.52      |
| Trade Receivable  | USD      | 18,19,344    | 1,557.02      |
| Trade & other Receivable                                | EURO     | 3,32,019     | 306.53        |
| Trade Payable   | USD      | 28,43,559    | 2,433.56      |
| Trade Payable   | EURO     | 82,672       | 76.33         |
| Trade Payable   | GBP      | 40,779       | 45.16         |
| Trade Payable   | AED      | 6,65,142     | 154.99        |

| 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          |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 40 FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES (Contd..)

### Foreign Currency Sensitivity

2% increase or decrease in foreign exchange rates will have the following impact on Profit Before Tax (PBT):-

| Particulars                                       | 2024-25                      |                              | 2023-24                      |                              |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
|   | 2% increase<br>Profit/(Loss) | 2% decrease<br>Profit/(Loss) | 2% increase<br>Profit/(Loss) | 2% decrease<br>Profit/(Loss) |
| USD   | 3.38                         | (3.38)                       | (52.03)                      | 52.03                        |
| EURO  | 4.60                         | (4.60)                       | 0.37                         | (0.37)                       |
| GBP   | (0.90)                       | 0.90                         | 0.46                         | (0.46)                       |
| SGD   | -                            | -                            | (0.12)                       | 0.12                         |
| AED   | (3.10)                       | 3.10                         | -                            | -                            |
| <b>Increase / (Decrease) in Profit Before Tax</b> | <b>3.98</b>                  | <b>(3.98)</b>                | <b>(51.32)</b>               | <b>51.32</b>                 |

### (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/ loan from director 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 loan from director is interest free. The Group is exposed to interest rate risk associated with term loan and working capital facility due to floating rate of interest. .

The exposure of the Group's borrowings to interest rate changes at the end of the reporting year are as follows:

| Particulars                                     | As at          |                 |
|---|----------------|-----------------|
|   | March 31, 2025 | March 31, 2024  |
| Term Loan From Banks and Financial Institutions | 100.00         | 139.26          |
| Working Capital Facility                        | 319.63         | 5,659.18        |
| <b>Closing Balances</b>                         | <b>419.63</b>  | <b>5,798.44</b> |

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                                       | 2024-25     |               | 2023-24       |                 |
|---|-------------|---------------|---------------|-----------------|
|   | 2% increase | 2% decrease   | 2% increase   | 2% decrease     |
| Term Loan From Banks and Financial Institutions   | 2.00        | (2.00)        | 2.79          | (2.79)          |
| Working Capital Facility                          | 6.39        | (6.39)        | 113.18        | (113.18)        |
| <b>Decrease / (Increase) in Profit Before Tax</b> | <b>8.39</b> | <b>(8.39)</b> | <b>115.97</b> | <b>(115.97)</b> |

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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 40 FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES (Contd..)

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, 2025  |                | As at March 31, 2024  |                |
|-------------------|-----------------------|----------------|-----------------------|----------------|
|                   | Gross Carrying Amount | Loss Allowance | Gross Carrying Amount | Loss Allowance |
| Trade Receivables | 31,571.44             | 2,005.36       | 21,387.08             | 1,541.62       |

The following table summarizes the changes in the Provisions made for the receivables:

| Particulars              | As at           | As at           |
|--------------------------|-----------------|-----------------|
|                          | March 31, 2025  | March 31, 2024  |
| Opening Balances         | 1,541.62        | 965.06          |
| Provided during the year | 463.74          | 576.56          |
| Reversed during the year | -               | -               |
| <b>Closing Balances</b>  | <b>2,005.36</b> | <b>1,541.62</b> |

### 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 |                  |
| <b>March 31, 2025</b>       |                 |                  |               |                   |                  |
| Non current borrowings      | -               | 18.08            | 88.57         | -                 | 106.65           |
| Current Borrowings          | 1,038.48        | 1,165.00         | -             | -                 | 2,203.48         |
| Trade Payable               | -               | 5,458.87         | -             | -                 | 5,458.87         |
| Lease Liability             | -               | 52.76            | 40.42         | -                 | 93.18            |
| Other Financial Liabilities | -               | 730.33           | -             | -                 | 730.33           |
| <b>Total</b>                | <b>1,038.48</b> | <b>7,425.04</b>  | <b>128.99</b> | <b>-</b>          | <b>8,592.51</b>  |
| <b>March 31, 2024</b>       |                 |                  |               |                   |                  |
| 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           |
| <b>Total</b>                | <b>6,280.63</b> | <b>6,775.60</b>  | <b>223.72</b> | <b>4.63</b>       | <b>13,284.58</b> |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 40 FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES (Contd..)

### 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                              | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Total Debt                               | 2,309.13                | 6,460.76                |
| Less: Cash and cash equivalent           | 3,447.21                | 298.17                  |
| Less: Fixed Deposits pledge              | 60.00                   | -                       |
| <b>Net Debt</b>                          | <b>(1,198.08)</b>       | <b>6,162.59</b>         |
| Equity                                   | 63,993.88               | 44,461.41               |
| <b>Total Capital (Equity + Net Debt)</b> | <b>62,795.80</b>        | <b>50,624.00</b>        |
| Gearing ratio                            | NA                      | 12.17%                  |

## 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:

#### 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 42 SEGMENT REPORTING (Contd..)

### I Segment wise Revenue

| Particulars                                    | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| <b>Segment Revenue</b>                         |                                      |                                      |
| a. Optics and Optronic Systems                 | 17,737.00                            | 6,939.18                             |
| b. Defence Engineering                         | 18,729.12                            | 18,410.64                            |
| <b>Revenue From Operations</b>                 | <b>36,466.12</b>                     | <b>25,349.82</b>                     |
| <b>Segment Results</b>                         |                                      |                                      |
| a. Optics and Optronic Systems                 | 9,657.69                             | 3,223.69                             |
| b. Defence Engineering                         | 2,007.73                             | 3,608.42                             |
| <b>Total</b>                                   | <b>11,665.42</b>                     | <b>6,832.11</b>                      |
| i) Finance Costs                               | (662.22)                             | (543.95)                             |
| ii) Other unallocable expenditure              | (3,438.10)                           | (3,062.79)                           |
| iii) Unallocable Income                        | 792.22                               | 827.17                               |
| iv) Share of profit/(loss) of Associates       | 2.75                                 | (5.69)                               |
| <b>Profit before exceptional items and Tax</b> | <b>8,360.07</b>                      | <b>4,046.85</b>                      |
| Exceptional items                              | -                                    | -                                    |
| <b>Profit Before Tax</b>                       | <b>8,360.07</b>                      | <b>4,046.85</b>                      |

### II Segment wise Assets and Liabilities:

| Particulars                    | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------|-------------------------|-------------------------|
| <b>Segment Assets</b>          |                         |                         |
| a. Optics and Optronic Systems | 34,979.72               | 22,984.21               |
| b. Defence Engineering         | 30,206.98               | 30,574.00               |
| c. Unallocable                 | 20,009.24               | 10,414.64               |
| <b>Total</b>                   | <b>85,195.94</b>        | <b>63,972.85</b>        |
| <b>Segment Liabilities</b>     |                         |                         |
| a. Optics and Optronic Systems | 2,857.77                | 3,576.51                |
| b. Defence Engineering         | 11,785.27               | 5,821.81                |
| c. Unallocable                 | 6,890.83                | 10,246.95               |
| <b>Total</b>                   | <b>21,533.87</b>        | <b>19,645.27</b>        |

### III Other Informations

| Particulars                               | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Capital Expenditure                       | 3,523.22                             | 2,600.79                             |
| Depreciation                              | 1,493.02                             | 1,336.15                             |
| Non-cash Expenses other than Depreciation | 604.34                               | 737.56                               |

### 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:

- i. 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 42 SEGMENT REPORTING (Contd..)

- ii. Revenue disaggregation by geography (Refer Note No. 28.2)
- iii. No Non-Current Assets of the Group is located outside India as on March 31, 2025 and March 31, 2024
- 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 ₹ 24,538. 46 Lakhs, (March 31, 2024 : ₹ 11,674.11 Lakhs) from three customers (March 31, 2024: three customers) having more than 10% of the total revenue.

## Note: 43 Employee share based payment:

**43.1** The Holding Company offers equity based option plan to its employees through the Company's stock option plan.

### 43.2 Paras Defence and Space Technologies Limited - Employee Stock Option Plan 2024" ("Paras Defence ESOP 2024")"

During the Year, the Board of Directors and Shareholders of the Holding Company have approved the "Paras Defence and Space Technologies Limited - Employee Stock Option Plan 2024" ("Paras Defence ESOP 2024") for the employees of the Company, its subsidiary companies and/or associate companies, group companies (present and future) comprising of equity shares of the Company, not exceeding 7,95,000 equity shares of face value of ₹ 10/- each, in one or more tranches. The specific Employees to whom the Options are granted and their Eligibility Criteria are determined by the Nomination and Remuneration Committee. the Company has granted 78,450 options in 3 different tranches to the eligible employees on 22<sup>nd</sup> January, 2025 with exercise price of ₹ 1,000 per share. Exercise period is 5 years from the date of respective vesting of options.

The details of options granted for the year ended 31 March 2025 is presented below:

| Particulars  | Paras Defence ESOP 2024 |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
| <b>Options as at 1<sup>st</sup> April</b>              |                         |                         |
| Options granted during the year                        | -                       | -                       |
| Options forfeited during the year                      | 78,450                  | -                       |
| Options exercised during the year                      | -                       | -                       |
| <b>Options outstanding as at 31<sup>st</sup> March</b> |                         |                         |
| Number of option exercisable at the end of the year    | 78,450                  | -                       |

The fair values of options has been determined at the date of grant of the options. This fair value, adjusted by the Company's estimate of the number of options that will eventually vest, is expensed over the vesting period.

The fair values were calculated using the Black-Scholes Model for tenure based options. The inputs to the model include the share price at date of grant, exercise price, expected life, expected volatility, expected dividends and the risk free rate of interest. Expected volatility has been calculated using historical return on share price.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 43 Employee share based payment: (Contd..)

Basic features about the ESOS granted

| Particulars                      | Paras Defence ESOP 2024  |
|----------------------------------|--|
| Date of Shareholder's Approval   | September 20, 2024   |
| Total Number of Options approved | 795000   |
| Vesting Requirements             | Time based and tranche based vesting, at the end of 3 <sup>rd</sup> , 4 <sup>th</sup> and 5 <sup>th</sup> year from the date of grant. |
| The pricing Formula              | The Exercise price shall be decided by Nomination and remuneration committee from time to time as on the date of grant.                |
| Maximum Term of options granted  | 5 years from the date of vesting of options  |
| Method of Settlements            | Equity Settled   |
| Sources of Shares                | Primary issuance of shares   |
| Method of Accounting             | Fair Value Method  |

Accordingly, the assumptions used in the calculations of original grant date fair value of the options granted are set out below:

| Paras Defence ESOP 2024              | Grant Date  |             |             |
|--------------------------------------|-------------|-------------|-------------|
|                                      | 22-02-2025  | 22-02-2025  | 22-02-2025  |
| Number of Options                    | 19,613      | 19,612      | 39,225      |
| Exercise Price                       | ₹ 1000.00   | ₹ 1000.00   | ₹ 1000.00   |
| Share Price at the date of grant     | ₹ 1060.20   | ₹ 1060.20   | ₹ 1060.20   |
| Vesting Period on completion of year |             |             |             |
| 3 <sup>rd</sup> Year                 | 100%        |             |             |
| 4 <sup>th</sup> Year                 |             | 100%        |             |
| 5 <sup>th</sup> Year                 |             |             | 100%        |
| Expected Volatility                  | 43.14% p.a. | 43.14% p.a. | 43.14% p.a. |
| Expected option life                 | 8.01 Year   | 9.01 Year   | 10.01 Year  |
| Expected dividends                   | 0.0% p.a.   | 0.0% p.a.   | 0.0% p.a.   |
| Risk free interest rate              | 6.64% p.a.  | 6.67% p.a.  | 6.66% p.a.  |
| Fair value per option granted        | ₹ 650.77    | ₹ 684.85    | ₹ 715.04    |

The Company has recognized total expenses of ₹ 24.99 Lakhs (Previous year ₹ Nil) related to above equity settled share-based payment transactions for the year ended 31<sup>st</sup> March, 2025.

## Note: 44 Interests in other entities

**44.1** The consolidation of financial statements of the Group includes subsidiaries listed in the table below:

| Name  | Principal Place of Business | % Equity interest       |                         |
|---|-----------------------------|-------------------------|-------------------------|
|   |                             | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
| <b>A Indian subsidiaries</b>  |                             |                         |                         |
| Paras Aerospace Private Limited   | India                       | 60.00%                  | 60.00%                  |
| Paras Green UAV Private Limited (Formerly Known as Paras Green Optics Private Limited)* | India                       | 0.00%                   | 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%                 | 100.00%                 |
| Mechtech Thermal Private Limited  | India                       | 70.00%                  | 70.00%                  |
| <b>B Overseas Subsidiary</b>  |                             |                         |                         |
| OPEL Technologies PTE Ltd   | Singapore                   | 100.00%                 | 100.00%                 |

\* During the year, the Board of Directors of the Holding Company approved the divestment of its investment in wholly owned subsidiary, Paras Green UAV Private Limited ('Paras Green') and on March 27, 2025, the Company entered into a sale agreement and received the sales consideration, accordingly as on March 31, 2025, Paras Green ceased to be a subsidiary of the Company.

# During the year, the Board of Directors of the Company approved the divestment of its investment in Ayatti Innovative Private Limited ('Ayatti'), wherein the Company holds 58.02% of equity stake and on March 31, 2025, the Company entered into a proposed sale agreement and sale consideration is receivable on mutually agreed instalments, accordingly the Company has disclosed the investment in Ayatti as Held for Sale.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 44 Interests in other entities (Contd..)

**44.2** The consolidation of financial statements of the Group includes Associates listed in the table below:

| Name  | Principal Place of Business | % Equity interest       |                         |
|---|-----------------------------|-------------------------|-------------------------|
|   |                             | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
| Krasny Paras Defence Technologies Private Limited | India                       | 47.50%                  | 47.50%                  |
| Controp Paras Technologies Private Limited        | India                       | 30.00%                  | 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<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Current Assets                               | 235.72                  | 81.19                   |
| Current Liabilities                          | 180.45                  | 61.10                   |
| <b>Net Current Assets/(Liabilities)</b>      | <b>55.27</b>            | <b>20.09</b>            |
| Non-Current Assets                           | 12.90                   | 52.17                   |
| Non-Current Liabilities                      | -                       | -                       |
| <b>Net Non-Current Assets /(Liabilities)</b> | <b>12.90</b>            | <b>52.17</b>            |

| Particulars                       | For the Year ended<br>March 31, 2025 | For the Year ended<br>March 31, 2024 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Revenue                           | 97.42                                | 64.24                                |
| Profit/(Loss) for the Year        | (4.09)                               | (9.21)                               |
| Other Comprehensive Income        | -                                    | -                                    |
| <b>Total Comprehensive Income</b> | <b>(4.09)</b>                        | <b>(9.21)</b>                        |

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<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| Net Assets of the Associate   | 68.17                   | 72.26                   |
| Proportion of the Group's ownership interest in Krasny Paras Defence Technologies Private Limited   | 47.50%                  | 47.50%                  |
| <b>Carrying amount of the Group's interest in Krasny Paras Defence Technologies Private Limited</b> | <b>32.38</b>            | <b>34.32</b>            |

| Particulars                               | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <b>Reconciliation to carrying amounts</b> |                         |                         |
| Opening net assets                        | 34.32                   | 38.70                   |
| Loss for the year                         | (1.94)                  | (4.38)                  |
| Other comprehensive income                | -                       | -                       |
| Investment                                | -                       | -                       |
| <b>Closing net assets</b>                 | <b>32.38</b>            | <b>34.32</b>            |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note: 44 Interests in other entities (Contd..)

Controp Paras Technologies Private Limited

| Particulars                                  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Current Assets                               | 3,021.54                | 0.65                    |
| Current Liabilities                          | 3,017.01                | 4.00                    |
| <b>Net Current Assets/(Liabilities)</b>      | <b>4.53</b>             | <b>(3.35)</b>           |
| Non-Current Assets                           | 7.74                    | -                       |
| Non-Current Liabilities                      | -                       | -                       |
| <b>Net Non-Current Assets /(Liabilities)</b> | <b>7.74</b>             | <b>-</b>                |

| Particulars                       | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-----------------------------------|-------------------------|-------------------------|
| Revenue                           | -                       | -                       |
| Profit/(Loss) for the Year        | 15.62                   | (4.35)                  |
| Other Comprehensive Income        | -                       | -                       |
| <b>Total Comprehensive Income</b> | <b>15.62</b>            | <b>(4.35)</b>           |

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<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Net Assets of the Associate  | 12.27                   | (3.35)                  |
| Proportion of the Group's ownership interest in Controp Paras Technologies Private Limited   | 30.00%                  | 30.00%                  |
| <b>Carrying amount of the Group's interest in Controp Paras Technologies Private Limited</b> | <b>3.68</b>             | <b>-</b>                |

| Particulars                               | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <b>Reconciliation to carrying amounts</b> |                         |                         |
| Opening net assets                        | -                       | -                       |
| Profit/ (Loss) for the year               | 4.69                    | (1.31)                  |
| Other comprehensive income                | -                       | -                       |
| Investment                                | -                       | 0.30                    |
| <b>Closing net assets</b>                 | <b>4.69</b>             | <b>-</b>                |

## Note: 45 PROVISION

Disclosures as required by Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets":-

Movement in provisions:-

| Particulars of Securities provided | Provision for Expected Credit loss/<br>credit impaired on Trade Receivables | Provision for<br>Doubtful advances | Provision for<br>Doubtful advances |
|------------------------------------|---|------------------------------------|------------------------------------|
| <b>As at April 01, 2023</b>        | <b>965.06</b>   | -                                  | <b>965.06</b>                      |
| Provision during the Year          | 576.56  | 13.20                              | 589.76                             |
| <b>As at March 31, 2024</b>        | <b>1,541.62</b>   | <b>13.20</b>                       | <b>1,554.82</b>                    |
| Provision during the Year          | 463.74  | -                                  | 463.74                             |
| Provision Reversed during the Year | -   | (13.20)                            | (13.20)                            |
| <b>As at March 31, 2025</b>        | <b>2,005.36</b>   | -                                  | <b>2,005.36</b>                    |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note : 46 Disclosures Mandated by Schedule III by way of Additional Information - March 31, 2025

| Name of the entity                                | As at March 31, 2025                              |                  | For the Year ended March 31, 2025       |                 |   |                |   |                 |
|---|---|------------------|---|-----------------|---|----------------|---|-----------------|
|   | 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          |
| <b>Parent</b>                                     |   |                  |   |                 |   |                |   |                 |
| Paras Defence and Space Technologies Ltd.         | 100.55%   | 64,346.86        | 102.52%                                 | 6,506.92        | 135.70%                                 | (38.92)        | 102.37%                                 | 6,468.00        |
| <b>Indian subsidiaries</b>                        |   |                  |   |                 |   |                |   |                 |
| Paras Aerospace Private Limited                   | 0.01%   | 4.06             | 1.85%                                   | 117.28          | -                                       | -              | 1.86%                                   | 117.28          |
| Paras Anti- Drone Technologies Private Limited    | 1.03%   | 657.61           | -5.37%                                  | (340.53)        | -3.97%                                  | 1.14           | -5.37%                                  | (339.39)        |
| Ayatti Innovative Private Limited                 | -0.53%  | (337.45)         | -1.29%                                  | (82.08)         | -                                       | -              | -1.30%                                  | (82.08)         |
| Quantico Technologies Private Limited             | 0.00%   | (3.16)           | -0.19%                                  | (11.86)         | -                                       | -              | -0.19%                                  | (11.86)         |
| Mechtech Thermal Private Limited                  | -0.31%  | (196.88)         | -3.03%                                  | (192.34)        | -                                       | -              | -3.04%                                  | (192.34)        |
| <b>Indian Associate</b>                           |   |                  |   |                 |   |                |   |                 |
| Krasny Paras Defence Technologies Private Limited | -   | -                | -0.03%                                  | (1.94)          | -                                       | -              | -0.03%                                  | (1.94)          |
| Controp Paras Technologies Private Limited        | -   | -                | 0.07%                                   | 4.69            | -                                       | -              | 0.07%                                   | 4.69            |
| <b>Overseas subsidiary</b>                        |   |                  |   |                 |   |                |   |                 |
| OPEL Technologies PTE Ltd                         | 0.54%   | 347.74           | 2.36%                                   | 149.90          | -                                       | -              | 2.37%                                   | 149.90          |
| Non Controlling Interest                          | 0.52%   | 331.81           | 3.12%                                   | 197.98          | -                                       | -              | 3.13%                                   | 197.98          |
| Adjustments arising out of Consolidation          | -1.81%  | (1,156.71)       | -0.01%                                  | (0.89)          | -31.73%                                 | 9.10           | 0.13%                                   | 8.21            |
|   | <b>100.00%</b>                                    | <b>63,993.88</b> | <b>100.00%</b>                          | <b>6,347.13</b> | <b>100.00%</b>                          | <b>(28.68)</b> | <b>100.00%</b>                          | <b>6,318.45</b> |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in Rupees Lakhs, unless otherwise stated)

## Note : 47 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 Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) 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.
- 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 Group is not declared wilful defaulter by any bank or financial institution or other lender
- 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(s), 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** The Management and Authorities have the power to amend the Financial Statements in accordance with section 130 And 131 of the Companies Act, 2013.

**Note: 49** The figures for the corresponding previous periods/ year have been regrouped/rearranged wherever necessary, to make them comparable.

As per our report of even date

For and on behalf of the Board of Directors

### For Chaturvedi & Shah LLP

Chartered Accountants

(Firm Registration No. 101720W/W100355)

### RUPESH SHAH

Partner

Membership No. 117964

### 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

Date: April 30, 2025





**Paras Defence and Space Technologies Limited**

**Registered Office**

D-112, TTC Industrial Area, MIDC, Nerul,  
Navi Mumbai - 400706, Maharashtra, India.

Email: [business@parasdefence.com](mailto:business@parasdefence.com)

Telephone: +91 22 6919 9999 | Fax: +91 22 6919 9990