

**Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**TO,  
THE BOARD OF DIRECTORS OF  
PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED**

**Report on the audit of the Standalone Financial Results**

**Opinion**

We have audited the accompanying statement of standalone financial results of **PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED** ("the Company") for the quarter and year ended March 31, 2022 ("the statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us the statement:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter and year ended March 31, 2022.

**Basis for Opinion**

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



### **Management's Responsibilities for the Standalone Financial Results**

The Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the audited standalone financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the statement that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the statement 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 the statement.

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

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results 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 statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

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.

#### Other Matter

The Statement includes the results for the quarter ended March 31, 2022 and 31<sup>st</sup> March, 2021 being the balancing figures between audited figures of the respective full financial year and the year to date figures up to the nine months ended December 31, 2021 and 2020. The figures for the quarter ended March 31, 2021 were not subjected to review / audit by auditor.

Our opinion is not modified in respect of above matter.

**Chaturvedi & Shah LLP**

Chartered Accountants

Firm Reg. No. 101720W / W100355

**R. KORLA**

**Partner**

Membership No. 35629

UDIN No.: 22035629AJHSEK8027

**Mumbai**

**Date: May 20, 2022**





# PARAS DEFENCE & SPACE TECHNOLOGIES LIMITED

Corporate & Registered Office :

D-112, TTC Indl. Area, Nerul, Navi Mumbai - 400706, India | Tel : +91-22-6919 9999 | Fax : +91-22-6919 9990  
CIN # U29253MH2009PLC193352 | E-mail : business@parasdefence.com | Web : www.parasdefence.com

PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED					
Statement of Audited Standalone Financial Results for the Quarter and Year ended March 31, 2022					
(Rs. in Lakhs, except per equity share data)					
PARTICULARS	Quarter Ended			Year Ended	
	31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
	Audited	Unaudited	Audited	Audited	Audited
<b>1. Income</b>					
a) Revenue from Operations	6,047	4,359	7,375	18,000	13,280
b) Other Income	136	110	61	301	133
<b>Total Income</b>	<b>6,183</b>	<b>4,469</b>	<b>7,436</b>	<b>18,301</b>	<b>13,413</b>
<b>2. Expenses</b>					
a) Cost of Materials Consumed	3,332	1,173	2,170	7,694	5,987
b) Purchase of Stock-in-Trade	35	139	154	492	412
c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(247)	393	855	(72)	(779)
d) Employee Benefits Expense	372	376	315	1,436	1,158
e) Finance Costs	197	125	386	778	1,241
f) Depreciation and Amortisation Expense	264	259	241	1,032	964
g) Other Expenses	789	1,071	816	3,302	2,244
<b>Total Expenses</b>	<b>4,742</b>	<b>3,536</b>	<b>4,937</b>	<b>14,662</b>	<b>11,227</b>
<b>3. Profit Before Exceptional Items and Tax (1-2)</b>	<b>1,441</b>	<b>933</b>	<b>2,499</b>	<b>3,639</b>	<b>2,186</b>
<b>4. Exceptional Items</b>	-	-	-	-	-
<b>5. Profit Before Tax (3-4)</b>	<b>1,441</b>	<b>933</b>	<b>2,499</b>	<b>3,639</b>	<b>2,186</b>
<b>6. Tax Expenses</b>					
Current tax	375	246	724	1,008	724
Deferred Tax	24	(16)	(9)	(60)	(46)
<b>7. Profit for the period / year (5-6)</b>	<b>1,042</b>	<b>703</b>	<b>1,784</b>	<b>2,691</b>	<b>1,508</b>
<b>8. Other Comprehensive Income (OCI)</b>					
(I) Item that will not be reclassified to profit or loss					
Remeasurement Losses / (Gains) on Defined Benefit Plans	27	(5)	(5)	1	(42)
Tax Effect on above	(7)	2	1	(0)	11
(II) Item that will be reclassified to profit or loss	-	-	-	-	-
<b>Total Other Comprehensive Income (Net of Tax)</b>	<b>20</b>	<b>(3)</b>	<b>(4)</b>	<b>1</b>	<b>(31)</b>
<b>9. Total Comprehensive Income for the period / year (7-8)</b>	<b>1,022</b>	<b>706</b>	<b>1,788</b>	<b>2,690</b>	<b>1,539</b>
<b>10. Paid-up Equity Share Capital</b> (Face Value per share : Rs. 10/- each)	3,900	3,900	2,985	3,900	2,985
<b>11. Other Equity excluding Revaluation Reserve as per Balance Sheet</b>				<b>29,679</b>	<b>13,469</b>
<b>12. Earnings Per Share (of Rs. 10/- each)</b>					
a) Basic (Not Annualised) *	2.67*	1.80*	5.98*	7.73	5.30
b) Diluted (Not Annualised) *	2.67*	1.80*	5.98*	7.73	5.30



**Notes :**

- 1 The aforesaid Audited Standalone Financial Results for the quarter and year ended March 31, 2022 ("Financial Results") of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 20, 2022.
- 2 During the year:
  - (i) The Company has allotted 4,00,000 and 7,12,598 equity shares of Rs. 10 each at a premium of Rs. 115 and 150 per share, respectively aggregating to Rs. 1,640 Lakhs on preferential basis. The proceeds from the above preferential issue of equity shares has been fully utilised towards the redemption of 0.01% Optionally Convertible Preference Shares.
  - (ii) The Company has completed its Initial Public Offering (IPO) of 97,58,776 equity shares of face value of Rs.10 each for cash at an issue price of Rs. 175 per equity share aggregating to Rs. 17,078 Lakhs, consisting of Fresh Issue of 80,34,286 equity shares amounting to Rs. 14,060 Lakhs and an offer for sale of 17,24,490 equity shares amounting to Rs. 3,018 Lakhs by the Selling Shareholders. The Company has incurred Rs. 1,779 Lakhs as IPO related expenses which are proportionately allocated between the Company and Selling Shareholders as per respective offer size. The Company's share of these expenses amounting to Rs. 1,264 Lakhs (net of deferred tax) has been adjusted against Securities Premium. On October 1, 2021, the equity shares of the Company have been listed on the BSE Limited and National Stock Exchange of India Limited.

Fresh Issue of equity shares, as mention above, have resulted into increase in the paid-up equity share capital from Rs. 2,985 Lakhs to Rs. 3,900 Lakhs and Securities Premium from Rs. 4,315 Lakhs to Rs. 17,835 Lakhs (Net of Issue expenses and Taxes).

- 3 The utilisation of net proceeds of IPO is summarised below:

Objects of the issue as per prospectus	Amount to be utilised	Rs in Lakhs	
		Utilisation up to March 31, 2022	Unutilised amount as on March 31, 2022
Purchase of machinery and equipment	3,466	141	3,325
Funding incremental working capital requirements of the Company	6,000	2,400	3,600
Repayment or prepayment, in full or part certain borrowings/outstanding loan facilities of the Company	1,200	1,200	-
General corporate purposes	1,779	1,779	-
Net	12,445	5,520	6,925

# As at March 31, 2022, un-utilised IPO proceeds amounting to Rs. 6,600 Lakhs is temporarily invested in term deposits with scheduled commercial bank and Rs. 325 Lakhs are lying with monitoring agency account.

Un-utilised amount of Rs. 3,325 Lakhs towards the purchase of machinery and equipment was required to be utilised in Financial Year 2021-22. The Board of Directors at their meeting held on March 17, 2022, proposed to utilize / deploy this amount by FY 2022-23, which since has been approved by the shareholders of the Company through the e-voting postal ballot, on May 4, 2022.

- 4 The Financial Results includes the figures for the quarter ended March 31, 2022 and March 31, 2021 being the balancing figures between audited figures in respect of the figures of the respective full financial year and year to date figures up to the nine months ended December 31, 2021 and December 31, 2020 respectively. The figures for the quarter ended March 31, 2021 are not been subjected to review or audit by statutory auditors.
- 5 The figures for the corresponding previous periods /year have been regrouped/rearranged wherever necessary, to make them comparable.



For Paras Defence and Space Technologies Limited

*Munjal Shah*

Munjal Shah  
Managing Director  
DIN : 01080863  
May 20, 2022  
Place - Navi Mumbai

**Audited Standalone Segment Information for the Quarter and year ended March 31, 2022**

A. Segment information as per Indian Accounting Standard - 108 - "Operating Segments" :  
The chief operating decision maker ( CODM ) has identified following reportable segments of its business.

- a. Heavy Engineering
- b. Defence & Space Optics
- c. Defence Electronics

**Segment wise Revenue, Results, Assets & Liabilities**

(Rs. in Lakhs)

PARTICULARS	Quarter Ended			Year Ended	
	31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
	Audited	Unaudited	Audited	Audited	Audited
<b>1. Segment Revenue</b>					
a. Heavy Engineering	1,039	655	2,546	4,186	3,778
b. Defence & Space Optics	3,523	2,182	3,400	9,234	6,478
c. Defence Electronics	1,485	1,522	1,429	4,580	3,024
Revenue from Operations	6,047	4,359	7,375	18,000	13,280
<b>2. Segment Results</b>					
a. Heavy Engineering	76	92	727	531	565
b. Defence & Space Optics	1,774	1,237	2,298	5,083	3,895
c. Defence Electronics	278	157	269	608	374
Total	2,128	1,486	3,294	6,222	4,834
Less : i) Finance Cost	(197)	(125)	(386)	(778)	(1,241)
ii) Other Un-allocable Expenditure	(626)	(538)	(470)	(2,106)	(1,540)
Add : iii) Unallocated Income	136	110	61	301	133
Profit Before Exceptional Items and Tax	1,441	933	2,499	3,639	2,186
Less : Exceptional Items	-	-	-	-	-
Profit/(Loss) Before Tax	1,441	933	2,499	3,639	2,186
<b>3. Segment Assets</b>					
a. Heavy Engineering	9,806	10,414	11,811	9,806	11,811
b. Defence & Space Optics	18,090	18,775	16,631	18,090	16,631
c. Defence Electronics	6,066	5,524	3,729	6,066	3,729
d. Unallocable	11,487	11,690	3,984	11,487	3,984
Total Segment Assets	45,449	46,403	36,155	45,449	36,155
<b>4. Segment Liabilities</b>					
a. Heavy Engineering	181	171	249	181	249
b. Defence & Space Optics	719	271	718	719	718
c. Defence Electronics	643	550	565	643	565
d. Unallocable	6,144	8,661	13,986	6,144	13,986
Total Segment Liabilities	7,687	9,653	15,518	7,687	15,518



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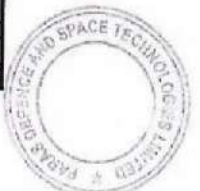
**Audited Standalone Balance Sheet as at March 31, 2022**

[ Rs. in Lakhs]

PARTICULARS	As at	As at
	March 31, 2022	March 31, 2021
	Audited	Audited
<b>A ASSETS</b>		
<b>1. Non-Current Assets</b>		
(a) Property, Plant and Equipment	13,471	15,501
(b) Capital Work in Progress	50	51
(c) Investment property	1,783	-
(d) Intangible Assets	97	150
(e) Financial Assets		
(i) Investments	415	115
(ii) Other Financial Assets	84	186
(f) Other Non Current Assets	166	52
<b>Total Non Current Assets</b>	<b>16,066</b>	<b>16,055</b>
<b>2. Current Assets</b>		
(a) Inventories	6,641	7,437
(b) Financial Assets		
(i) Trade Receivables	12,175	9,497
(ii) Cash and Cash Equivalents	166	402
(iii) Bank Balances other than (ii) above	7,275	359
(iv) Loans	7	5
(v) Other Financial Assets	235	62
(c) Other Current Assets	2,733	1,926
<b>Total Current Assets</b>	<b>29,232</b>	<b>19,688</b>
Assets held for Sale	151	412
<b>TOTAL ASSETS</b>	<b>45,449</b>	<b>36,155</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1. EQUITY</b>		
(a) Equity Share Capital	3,900	2,985
(b) Other Equity	33,862	17,652
<b>Total Equity</b>	<b>37,762</b>	<b>20,637</b>
<b>2. LIABILITIES</b>		
<b>Non Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	-	2,553
(ii) Other Financial Liabilities	10	-
(b) Deferred Tax Liabilities (Net)	2,113	2,314
(c) Provisions	133	119
(d) Other non current Liabilities	12	-
<b>Total Non Current Liabilities</b>	<b>2,268</b>	<b>4,986</b>
<b>3. Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	2,913	7,993
(ii) Trade Payables		
<b>Total Outstanding due of Micro Enterprises and Small Enterprises</b>	<b>126</b>	<b>93</b>
<b>Total outstanding due of Creditors other than Micro Enterprises and Small Enterprises</b>	<b>1,398</b>	<b>1,439</b>
(iii) Other Financial Liabilities	337	261
(b) Other Current Liabilities	58	60
(c) Provisions	21	15
(d) Current Tax Liabilities (Net)	566	671
<b>Total Current Liabilities</b>	<b>5,419</b>	<b>10,532</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>45,449</b>	<b>36,155</b>



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**Audited Standalone Statement of Cash Flows for the year ended March 31, 2022**

(Rs. in Lakhs)

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax as per the Statement of Profit and Loss	3,639	2,186
<b>ADJUSTED FOR</b>		
Depreciation and Amortisation Expense	1,032	964
Interest Income	(132)	(25)
Finance Costs	778	1,241
(Profit)/Loss on sale of Property, Plant and Equipment (Net)	6	(4)
Impairment loss on Assets held for sale	-	7
Bad Debts / Advances written off (Net)	234	13
Provision for Expected Credit Loss	138	115
Provision for Credit Impaired	48	-
Reversal of Provision for Doubtful Advance	-	(50)
Gain on Financial Instruments measured at fair value through profit or loss	(47)	-
Unrealised Loss / (Gain) on Foreign Currency Transactions (net)	10	(7)
Lease Liability Reversal	-	(0)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>5,706</b>	<b>4,440</b>
<b>ADJUSTED FOR</b>		
Trade and Other Receivables	(4,103)	(351)
Inventories	796	(1,404)
Trade and Other Payables	57	(1,621)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>2,456</b>	<b>1,064</b>
Direct Taxes including Interest (Paid)	(1,177)	(693)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>1,279</b>	<b>371</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment, Intangible assets and Capital Work-in-Progress	(836)	(532)
Sale of Property, Plant and Equipment & Asset held for Sale	261	6
Proceeds from sale of Investment in Subsidiaries Company	-	1
Investment in subsidiary Company	(60)	-
Investment in Associate Company	(5)	-
Purchase of Investment	(188)	(108)
Loans Recovered from Subsidiary Companies (Net)	-	6
Interest Income	58	7
Temporary deposits/Balances of IPO Proceeds	(6,979)	-
<b>NET (CASH USED) IN INVESTING ACTIVITIES</b>	<b>(7,749)</b>	<b>(620)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from Issue of Fresh Equity Shares*	15,700	1,798
Proceed from 0.01% Optionally Convertible Preference Shares	-	2,999
Redemption of 0.01% Optionally Convertible Preference Shares	(1,397)	(1,602)
Proceed from Non Current Borrowings (Term Loans)	-	14
Repayment of Non Current Borrowings	(3,801)	(528)
Current Borrowings (Net)	(2,259)	(801)
Payment related to Initial Public Offering*	(1,220)	(148)
Lease Liabilities	-	(5)
Finance Costs	(908)	(1,057)
Margin Money (Net)	119	(141)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>6,234</b>	<b>528</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(236)</b>	<b>279</b>
<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>	<b>402</b>	<b>120</b>
Effect of Exchange rate on Cash and Cash Equivalents	-	3
<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE)</b>	<b>166</b>	<b>402</b>

\*Do not include Rs. 3,018 Lakhs received towards offer for sale of 17,24,490 equity shares of Rs. 10/- by the Selling Shareholders and through IPO and proportionate expenses for the same.





**Independent Auditor's Report on the Quarterly and Year to Date Audited Consolidated Financial Results of the Company Pursuant to the Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To,  
The Board of Directors  
PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

**Report on the audit of the Consolidated Financial Results**

**Opinion**

We have audited the accompanying statement of consolidated financial results of **PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED** ("the Holding Company") and its Subsidiaries (the Holding Company and its Subsidiaries together refer to "the Group") and its associate for the quarter and year ended March 31, 2022 (the "Statement"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, and based on the report of the other auditors on separate financials statements of a subsidiary and associate, the Statement:

- i. Includes the financial information of following subsidiaries and an associate company:

**Subsidiaries:**

- Paras Aerospace Private Limited (Formerly known as Paras Aerospace Solutions Private Limited)
- Paras Anti Drone Technologies Private Limited (Formerly known as Paras Strategic Technologies Private Limited)
- Paras Green Optics Private Limited
- OPEL Technologies PTE Ltd (Formerly known as Paras Space Technologies PTE Ltd) (incorporated and place of business at Singapore)

**Associate Company:**

- Krasny Paras Defence Technologies Private Limited
- ii. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and



- iii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and other comprehensive income and other financial information of the Group and its associate for the quarter and year ended March 31, 2022.

### **Basis for Opinion**

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

### **Management's Responsibilities for the Consolidated Financial Results**

The Statement, which is the responsibility of the Holding Company's management and approved by its Board of Directors, has been prepared on the basis of the audited consolidated financial statements.

The Holding Company's Board of Directors are responsible for the preparation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including its associate in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associate 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 associate 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 Statement 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 statement by the Directors of the Holding Company, as aforesaid.



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

The respective Board of Directors of the Companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement 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 the Statement.

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control with reference to financial statements in place and the operating effectiveness of such control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement 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 associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associate, of which we are the independent auditors, and whose financial information we have audited, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, 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.

We communicate with those charged with governance of the Holding Company and such other entity included in the Statement 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.

We also performed procedures in accordance with the Circular issued by the Securities Exchange Board of India under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.



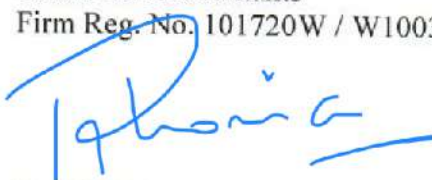
**Other Matter**

- a) The Statement include the audited financial information of a subsidiary, incorporated at Singapore, whose financial information reflect total assets of Rs. 379 Lakhs as at March 31, 2022, total revenue of Rs. 439 Lakhs and Rs. 1,912 Lakhs and total net (loss) / profit after tax Rs. (18) Lakhs and Rs. 2 Lakhs and total comprehensive income of Rs. (18) Lakhs and Rs. 2 Lakhs for the quarter and year ended March 31, 2022 respectively, and cash flow of Rs. 16 Lakhs for the year ended March 31, 2022, as considered in the Statement. The Statement also includes the Group's share of net (loss) after tax of Rs. (0.42) Lakh and Rs. (0.42) Lakh and total comprehensive income of Rs. (0.42) Lakh and Rs. (0.42) Lakh for the quarter and year ended March 31, 2022 respectively, as considered in the Statement in respect of an associate. These financial information have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion on the statement, in so far as it relates to the amount and disclosures included in respect of this subsidiary and associate is based solely on the report of the other auditors and procedures performed by us as stated in paragraph above.

Our opinion on the statement is not modified in respect of the above matters with respect to our reliance on the work done and the report of other auditors.

- b) The Statement includes the results for the quarter ended March 31, 2022 and March 31, 2021 being the balancing figures between audited figures of the respective full financial year and the year to date figures up to the nine months ended December 31, 2021 and 2020. The figures for the quarter ended March 31, 2021 were not subjected to review / audit by auditor.

**For CHATURVEDI & SHAH LLP**  
Chartered Accountants  
Firm Reg. No. 101720W / W100355



**R. KORLA**  
**Partner**

Membership No. 35629  
UDIN No.: 22035629AJHSMT1877



**Place: Mumbai**  
**Date: May 20, 2022**

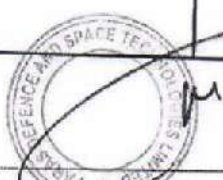


# PARAS DEFENCE & SPACE TECHNOLOGIES LIMITED

Corporate & Registered Office :

D-112, TTC Indl. Area, Nerul, Navi Mumbai - 400706, India | Tel : +91-22-6919 9999 | Fax : +91-22-6919 9990  
CIN # U29253MH2009PLC193352 | E-mail : business@parasdefence.com | Web : www.parasdefence.com

PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED					
Statement of Audited Consolidated Financial Results for the Quarter and Year ended March 31, 2022					
(Rs. In Lakhs, except per equity share data)					
PARTICULARS	Quarter Ended			Year Ended	
	31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
	Audited	Unaudited	Audited	Audited	Audited
1	Income				
	a) Revenue from Operations				
	b) Other Income	6,124	4,644	8,402	18,256
	Total Income	136	108	59	14,333
2	Expenses	6,260	4,752	8,461	18,553
	a) Cost of Materials Consumed				14,461
	b) Purchase of Stock-in-Trade	3,342	1,173	2,170	7,704
	c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	55	138	171	528
	d) Employee Benefits Expense	(266)	555	1,758	(57)
	e) Finance Costs	387	388	323	1,481
	f) Depreciation and Amortisation Expense	200	127	386	783
	g) Other Expenses	267	263	242	1,042
	Total Expenses	842	1,106	848	965
		4,827	3,750	5,898	3,415
3	Profit Before Share of Profit/(Loss) of Associate, Exceptional Items and tax (1-2)				2,288
4	Share of loss of Associate	1,433	1,002	2,563	3,657
5	Profit Before exceptional Items and Tax (3-4)				2,261
6	Exceptional Items	(0)	-	-	(0)
7	Profit Before Tax (5-6)	1,433	1,002	2,563	3,657
8	Tax Expenses				
	Current Tax	374	247	725	1,009
	Deferred Tax	24	(16)	(9)	729
9	Profit for the period / year (7-8)	1,035	771	1,847	2,708
10	Other Comprehensive Income (OCI)				1,578
	(i) Items that will not be reclassified to profit or loss	27	(5)	(5)	1
	(ii) Income tax relating to items that will not be reclassified to profit and loss	(7)	2	1	(0)
	(iii) Items that will be reclassified to profit or loss				11
	(iv) Income tax relating to items that be reclassified to profit and loss	(1)	(1)	15	(1)
	Total Other Comprehensive Income (Net of Tax)	0	0	0	0
11	Total Comprehensive Income for the period / year (9-10)	19	(4)	11	(0)
12	Net Profit attributable to	1,016	775	1,836	2,708
	(a) Owners of the Company				1,609
	(b) Non-Controlling Interest	1,030	767	1,845	2,704
13	Other Comprehensive Income attributable to	5	4	2	4
	(a) Owners of the Company				1,572
	(b) Non-Controlling Interest	19	(4)	11	(0)
14	Total Comprehensive Income attributable to				(31)
	(a) Owners of the Company	1,011	771	1,834	2,704
	(b) Non-Controlling Interest	5	4	2	4
15	Paid-up Equity Share Capital (Face Value per share : Rs. 10/- each)	3,900	3,900	2,985	3,900
16	Other Equity excluding Revaluation Reserve as per Balance sheet				29,732
17	Earnings Per Share (of Rs. 10/- each)				13,495
	a) Basic (Not Annualised) *	2.66*	1.98*	6.19*	7.78
	b) Diluted (Not Annualised) *	2.66*	1.98*	6.19*	7.78
					5.55
					5.55



**Notes :**

- 1 The aforesaid Audited Consolidated Financial Results for the quarter and year ended March 31, 2022 ("Financial Results") of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 20, 2022.
- 2 During the year:
  - (i) The Company has allotted 4,00,000 and 7,12,598 equity shares of Rs. 10 each at a premium of Rs. 115 and 150 per share, respectively aggregating to Rs. 1,640 Lakhs on preferential basis. The proceeds from the above preferential issue of equity shares has been fully utilised towards the redemption of 0.01% Optionally Convertible Preference Shares.
  - (ii) The Company has completed its Initial Public Offering (IPO) of 97,58,776 equity shares of face value of Rs.10 each for cash at an issue price of Rs. 175 per equity share aggregating to Rs. 17,078 Lakhs, consisting of Fresh Issue of 80,34,286 equity shares amounting to Rs. 14,060 Lakhs and an offer for sale of 17,24,490 equity shares amounting to Rs. 3,018 Lakhs by the Selling Shareholders. The Company has incurred Rs. 1,779 Lakhs as IPO related expenses which are proportionately allocated between the Company and Selling Shareholders as per respective offer size. The Company's share of these expenses amounting to Rs. 1,264 Lakhs (net of deferred tax) has been adjusted against Securities Premium. On October 1, 2021, the equity shares of the Company have been listed on the BSE Limited and National Stock Exchange of India Limited.

Fresh Issue of equity shares, as mention above, have resulted into increase in the paid-up equity share capital from Rs. 2,985 Lakhs to Rs. 3,900 Lakhs and Securities Premium from Rs. 4,315 Lakhs to Rs. 17,835 Lakhs (Net of Issue expenses and Taxes).

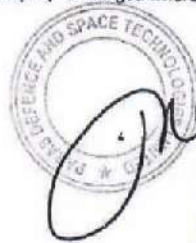
- 3 The utilisation of net proceeds of IPO is summarised below:

Objects of the issue as per prospectus	Amount to be utilised	Rs in Lakhs	
		Utilisation up to March 31, 2022	Unutilised amount as on March 31, 2022
Purchase of machinery and equipment	3,466	141	3,325
Funding Incremental working capital requirements of the Company	6,000	2,400	3,600
Repayment or prepayment, in full or part certain borrowings/outstanding loan facilities of the Company	1,200	1,200	-
General corporate purposes	1,779	1,779	-
<b>Net</b>	<b>12,445</b>	<b>5,520</b>	<b>6,925</b>

# As at March 31, 2022, an un-utilised IPO proceeds amounting to Rs. 6,500 Lakhs is temporarily invested in term deposits with scheduled commercial bank and Rs. 325 Lakhs are lying with monitoring agency account.

Un-utilised amount of Rs. 3,325 Lakhs towards the purchase of machinery and equipment was required to be utilised in Financial Year 2021-22. The Board of Directors at their meeting held on March 17, 2022, proposed to utilize / deploy this amount by FY 2022-23, which since has been approved by the shareholders of the Company through the e-voting postal ballot, on May 4, 2022.

- 4 The Financial Results includes the figures for the quarter ended March 31, 2022 and March 31, 2021 being the balancing figures between audited figures in respect of the figures of the respective full financial year and year to date figures up to the nine months ended December 31, 2021 and December 31, 2020 respectively. The figures for the quarter ended March 31, 2021 are not been subjected to review or audit by statutory auditors.
- 5 The figures for the corresponding previous periods /year have been regrouped/rearranged wherever necessary, to make them comparable.



For Paras Defence and Space Technologies Limited

Munjal Shah  
 Managing Director  
 DIN : 01080863  
 May 20, 2022  
 Place - Navi Mumbai

**Audited Consolidated Segment Information for the Quarter and year ended March 31, 2022**

**A. Segment information as per Indian Accounting Standard - 108 - "Operating Segments" :**

The chief operating decision maker ( CODM ) has identified following reportable segments of its business.

- a. Heavy Engineering
- b. Defence & Space Optics
- c. Defence Electronics

**Segment wise Revenue, Results, Assets & Liabilities**

(Rs. in Lakhs)

PARTICULARS	QUARTER ENDED			Year Ended	
	31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
	Audited	Unaudited	Audited	Audited	Audited
<b>1. Segment Revenue</b>					
a. Heavy Engineering	1,040	655	2,546	4,186	3,778
b. Defence & Space Optics	3,526	2,182	3,400	9,237	6,493
c. Defence Electronics	1,558	1,807	2,456	4,833	4,062
Revenue from Operations	<b>6,124</b>	<b>4,644</b>	<b>8,402</b>	<b>18,256</b>	<b>14,333</b>
<b>2. Segment Results</b>					
a. Heavy Engineering	76	93	727	531	565
b. Defence & Space Optics	1,776	1,237	2,298	5,085	3,910
c. Defence Electronics	290	240	345	676	460
Total	<b>2,142</b>	<b>1,570</b>	<b>3,370</b>	<b>6,292</b>	<b>4,935</b>
Less : i) Finance Cost	(200)	(127)	(386)	(783)	(1,241)
ii) Other Un-allocable Expenditure	(645)	(549)	(480)	(2,149)	(1,561)
Add : Unallocated Income	136	108	59	297	128
Profit Before Exceptional Items and Tax	<b>1,433</b>	<b>1,002</b>	<b>2,563</b>	<b>3,657</b>	<b>2,261</b>
Less : Exceptional Items	-	-	-	-	-
Profit Before Tax	<b>1,433</b>	<b>1,002</b>	<b>2,563</b>	<b>3,657</b>	<b>2,261</b>
<b>3. Segment Assets</b>					
a. Heavy Engineering	9,806	10,414	11,811	9,806	11,811
b. Defence & Space Optics	18,093	18,775	16,631	18,093	16,631
c. Defence Electronics	6,293	5,680	3,758	6,293	3,758
d. Unallocable	11,575	11,813	4,075	11,575	4,075
Total Segment Assets	<b>45,767</b>	<b>46,682</b>	<b>36,275</b>	<b>45,767</b>	<b>36,275</b>
<b>4. Segment Liabilities</b>					
a. Heavy Engineering	181	171	249	181	249
b. Defence & Space Optics	719	271	718	719	718
c. Defence Electronics	645	552	565	645	565
d. Unallocable	6,369	8,840	14,073	6,369	14,073
Total Segment Liabilities	<b>7,914</b>	<b>9,834</b>	<b>15,605</b>	<b>7,914</b>	<b>15,605</b>



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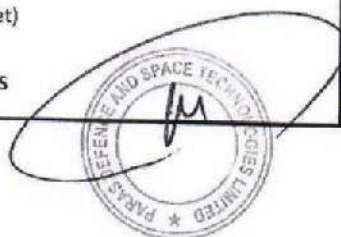




Audited Consolidated Balance Sheet as at March 31, 2022

(Rs. in Lakhs)

PARTICULARS	As at	As at
	March 31, 2022	March 31, 2021
	Audited	Audited
<b>A ASSETS</b>		
1. Non-Current Assets		
(a) Property, Plant and Equipment	13,486	15,513
(b) Capital Work in Progress	50	51
(c) Investment property	1,783	-
(d) Intangible Assets	97	150
(e) Financial Assets		
(i) Investments	352	113
(ii) Other Financial Assets	84	190
(f) Non Current Tax Assets	3	0
(g) Other Non Current Assets	171	52
<b>Total Non Current Assets</b>	<b>16,026</b>	<b>16,069</b>
2. Current Assets		
(a) Inventories	6,663	7,471
(b) Financial Assets		
(i) Trade Receivables	12,297	9,485
(ii) Cash and Cash Equivalents	218	468
(iii) Bank Balances other than (ii) above	7,376	363
(iv) Loans	7	5
(v) Other Financial Assets	239	62
(c) Other Current Assets	2,790	1,940
<b>Total Current Assets</b>	<b>29,590</b>	<b>19,794</b>
Assets held for Sale	151	412
<b>TOTAL ASSETS</b>	<b>45,767</b>	<b>36,275</b>
<b>B EQUITY AND LIABILITIES</b>		
1. EQUITY		
(a) Equity Share Capital	3,900	2,985
(b) Other Equity	33,916	17,678
<b>Equity attributable to Owners</b>	<b>37,816</b>	<b>20,663</b>
Non Controlling Interest	37	7
<b>Total Equity</b>	<b>37,853</b>	<b>20,670</b>
2. LIABILITIES		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	2,553
(ii) Lease Liabilities	-	6
(iii) Other Financial Liabilities	10	-
(b) Deferred Tax Liabilities (Net)	2,112	2,314
(c) Provisions	133	119
(d) Other non current Liabilities	12	-
<b>Total Non Current Liabilities</b>	<b>2,267</b>	<b>4,992</b>
3. Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	3,108	8,052
(ii) Lease Liabilities	-	6
(iii) Trade Payables	-	-
<b>Total Outstanding due of Micro Enterprises and Small Enterprises</b>	<b>129</b>	<b>93</b>
<b>Total outstanding due of Creditors other than Micro Enterprises and Small Enterprises</b>	<b>1,398</b>	<b>1,439</b>
(iv) Other Financial Liabilities	358	271
(b) Other Current Liabilities	61	61
(c) Provisions	21	15
(d) Current Tax Liabilities (Net)	572	676
<b>Total Current Liabilities</b>	<b>5,647</b>	<b>10,613</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>45,767</b>	<b>36,275</b>



Audited Consolidate Statement of Cash Flows for the year ended March 31, 2022

(Rs. in Lakhs)

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax as per the Statement of Profit and Loss	3,657	2,261
<b>ADJUSTED FOR</b>		
Depreciation and Amortisation Expense	1,042	965
Interest Income	(134)	(24)
Finance Costs	783	1,241
(Profit)/Loss on sale of Property, Plant and Equipment (Net)	6	(4)
Impairment loss on Assets held for sale	-	7
Bad Debts / Advances written off (Net)	234	13
Provision for Expected Credit Loss	148	115
Provision for Credit Impaired	48	-
Reversal of Provision for Doubtful Advance	-	(50)
Gain on Financial Instruments measured at fair value through profit or loss	(47)	-
Unrealised Loss / (Gain) on Foreign Currency Transactions (net)	10	(7)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>5,747</b>	<b>4,517</b>
<b>ADJUSTED FOR</b>		
Trade and Other Receivables	(4,290)	(318)
Inventories	809	(1,428)
Trade and Other Payables	66	(1,649)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>2,332</b>	<b>1,122</b>
Direct Taxes including Interest (Paid)	(1,181)	(693)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>1,151</b>	<b>429</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment, Intangible assets and Capital Work-in-Progress	(860)	(532)
Sale of Property, Plant and Equipment & Asset held for Sale	261	6
Proceeds from sale of Investment in Subsidiaries Companies	-	1
Investment in Associate Company	(5)	-
Purchase of Investment	(188)	(108)
Interest Income	60	7
Temporary deposits/Balances of IPO Proceeds	(6,979)	-
<b>NET (CASH USED) IN INVESTING ACTIVITIES</b>	<b>(7,711)</b>	<b>(626)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from Issue of Fresh Equity Shares*	15,700	1,798
Proceed from Issue of share to Non Controlling Interest	40	-
Proceed from 0.01% Optionally Convertible Preference Shares	-	2,999
Redemption of 0.01% Optionally Convertible Preference Shares	(1,397)	(1,602)
Proceed from Non Current Borrowings (Term Loans)	-	14
Repayment of Non Current Borrowings	(3,801)	(528)
Current Borrowings (Net)	(2,122)	(789)
Payment related to Initial Public Offering*	(1,220)	(148)
Lease Liabilities	-	(7)
Finance Costs	(912)	(1,058)
Margin Money (Net)	22	(142)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>6,310</b>	<b>537</b>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(250)</b>	<b>340</b>
<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>	<b>468</b>	<b>125</b>
Effect of Exchange rate on Cash and Cash Equivalents	-	3
<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE)</b>	<b>218</b>	<b>468</b>

\* Do not include Rs. 3,018 Lakhs received towards offer for sale of 17,24,490 equity shares of Rs. 10/- by the Selling Shareholders and through IPO and proportionate expenses for the same.



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