



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 # L29253MH2009PLC193352 | E-mail : business@parasdefence.com | Web : www.parasdefence.com

PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

Transcript of 14th Annual General Meeting held through Video Conferencing (“VC”) & Other Audio-Visual Means on Friday, September 23, 2023 at 11:00 A.M. (IST)

Moderator (Link Intime)

Good Morning, Ladies and Gentlemen, a warm welcome to the 14th Annual General Meeting of Paras Defence and Space Technologies Limited. Now, I handover the proceeding to the Company Secretary over to you Sir.

Hemalkumar Hiranbhai Sagalia - Company Secretary and Compliance Officer

Thank You, Madam,

I Hemalkumar Hiranbhai Sagalia, Company Secretary & Compliance Officer of Paras Defence and Space Technologies Limited, welcome all the Members of the Board, Auditors, Scrutinizer and Shareholders who have joined us today for this 14th Annual General Meeting of the Company. The Ministry of Corporate Affairs has allowed Companies to conduct the Annual General Meeting through Video Conferencing and Other Audio-Visual Means without physical presence of the members at a common venue. Pursuant to the requirement of MCA circular the company has allowed facility for a two-way teleconference for ease of participation of Members.

All feasible efforts have been made by the Company to enable the members to participate in the meeting and to vote on the items being considered at this AGM.

I thank you all for joining us today. Your presence here is a testimony to your interest and support to the company.

The proceedings of this meeting are being conducted live and are also being recorded for compliance purpose and the same shall be uploaded on the website of the Company.

I would like to take you all through certain points regarding the participation and voting at this AGM.

Members who have joined the meeting through Video Conferencing and have not already cast their vote by means of remote e-voting, may vote through e-voting facility provided on the AGM portal by Link Intime India Private Limited. The members who have cast their vote by remote e-voting prior to the AGM shall not be entitled to cast their vote during the AGM.

All members who have joined this meeting, are by default placed on mute mode to avoid any disturbance from background noise and to ensure smooth and seamless conduct of the meeting.

Upon commencement of the Question-Answer session, we shall announce the name of the Shareholders one by one who has given a request for being a speaker at the meeting. The speaker shareholder, if present, will thereafter be unmuted by the host of Link Intime.

Speakers are requested to enable his / her video at the time of speaking. If such speaker is unable to join due to any connectivity issue at their end, then we shall request the next speaker to continue and the earlier speaker can join later, if time permits.



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We request the speaker shareholders to kindly complete their queries within shortest possible time so that other speakers will get a chance to ask their queries.

If any, shareholder has additional queries, on any of the business transaction and we are unable to answer it today due to time constraints, we will be happy to address the same in due course through e-mail or any other permissible means as requested by the shareholder.

I would also like to inform-

The Statutory Registers as required under the companies act, 2013 are kept available for inspection by the shareholders during the AGM. Since the meeting is conducted through video conferencing the option to appoint proxy is not available for this AGM.

Pursuant to regulation 44 of SEBI LODR, Regulations 2015 and provisions of section 108 of the Companies Act, 2013 and rules made thereunder, the company has provided voting facility to the members to cast their votes by remote e-voting through the voting platform provided by Link Intime India Private Limited. The detailed procedure for casting vote through electronic means was prescribed in notice of the AGM. Shareholders who had not voted through remote e-voting can cast their votes during the meeting through a link appearing on the screen. The facility for e-voting at this AGM shall also be kept open for 15 minutes after the conclusion of AGM.

Before I proceed further, I just want to remind the shareholders that the Securities and Exchange Board of India has mandated submission of PAN, Address with PIN Code, e-mail address, mobile number, bank account details, specimen signature and nomination by the shareholders of securities in physical form folios that like any of the above documents or details on or after September 30, 2023 will be frozen by the Registrar & Transfer Agent, subject to any amendment taken place recently by the SEBI.

I kindly request shareholders to ensure relevant details updated in the record of Registrar & Transfer Agent before the given date i.e. September 30, 2023.

Now I would like to inform that our Chairman, Mr. Sharad Virji Shah, has expressed his inability to attend the meeting due to certain unavoidable circumstance.

Now, I would like to take the privilege to introduce the board of directors & other dignitaries present at this AGM.

Our Managing Director, Mr. Munjal Shah.
Our Whole Time Director, Mrs. Shilpa Mahajan
Mr. Manmohan Handa – Independent Director, Chairman of Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee
Dr. Hina Gokhale – Independent Director
Mr. Suresh Katyal – Independent Director
Mr. Harsh Bhansali – Chief Financial Officer
Mr. Amit Mahajan – KMP Director - Technical & R&D
Mr. Anish Mehta – KMP Director - Business Development
Mr. Rupesh Shah, Senior Manager and Mr. Ajay Sharma, M/s. Chaturvedi & Shah LLP, Chartered Accountants the Statutory Auditors of the Company
Mr. Dinesh Kumar Deora and Mr. Tribhuwneshwar Kaushik from M/s. DM & Associates, Company Secretaries, LLP, Scrutinizer for the voting process.



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As per Secretarial Standard 2 issued by ICSI, if the Chairman of the Board is unable to attend and act as the Chairman of the meeting then the Directors present at the Meeting shall elect one of themselves to be the Chairman of the Meeting.

May I now request the board of directors to kindly elect the chairman amongst themselves for the purpose of AGM. I request the board member to select the chairman for this AGM.

Mr. Manmohan Handa - Independent Director

We propose Mr. Munjal Shah to chair this.

Dr. Hina Amol Gokhale - Independent Director

I second it.

Hemalkumar Hiranbhai Sagalia - Company Secretary and Compliance Officer

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I second it.

Hemalkumar Hiranbhai Sagalia - Company Secretary and Compliance Officer

Thank you, ma'am. As, the Board of Directors have unanimously elected Mr. Munjal Sharad Shah, Managing Director to act as Chairman for the purpose of the 14th Annual General Meeting. He shall now take the chair to conduct the further proceedings of the AGM.

May I now request our Managing Director, Munjal Shah, to welcome and address the shareholders at this 14th AGM of the Company and to take the proceeding of this AGM ahead.

Munjal Sharad Shah, Managing Director

Good Morning, everyone, I trust you and your family are doing well. I, Munjal Sharad Shah, Managing Director of your Company, welcome you all to the 14th Annual General Meeting of the Company. Dear Shareholders as we gather virtually for the 14th AGM of the Company, it gives me immense pleasure to host you today.

We sincerely appreciate the trust and patronage you have shown in Paras Defence. On behalf of the Paras Defence Board of Directors I show my sincere gratitude to you all for sparing out time from your busy schedule today and attending the AGM.

I thank you for your continued trust and support to the Company and its Management.



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As confirmed by Link Intime India Private Limited, more than 30 shareholders have joined us virtually at this AGM and the Requisite quorum for the meeting is present. Accordingly, I would like to call the meeting to be in order.

The Notice, Directors' Report along with its annexures, Auditors Report and notes to Accounts for the Financial Year ended March 31, 2023, has been circulated to all the members. With your consent, I shall take them as read.

There are no qualifications, observations, or comments in the report of the Statutory Auditor and Secretarial Auditor. The report of the Statutory Auditors is unmodified.

The financial performance of the Company witnessed a positive trend resulting in overall gains for all its stakeholders and we expect to continue the same trend in the coming year.

I would like to take this opportunity to brief our esteemed shareholders about the performance highlights during the past years and the future outlook for your Company.

The defence and space sector in India, fuelled by user demand and government initiatives, continued their upward trajectory to unlocking immense opportunities.

We concluded FY 2022-23 with a robust 22% growth in revenues to Rs 222.43 Crores. The bottom-line performance was equally commendable, with EBITDA expanding by 9% to Rs 56.75 Crores and Profit after Tax growing by 32.75% to Rs 35.94 Crores. All our business verticals performed well. Optics vertical continued to lead with strong profitability, maintaining its position as a high-margin segment business for the Company.

We had healthy order book during the year which includes several prestigious orders for complete products. from Instrument Research & Development Establishment (IRDE), DRDO for Optronic Submarine Periscope. Additionally, we were awarded an order for delivering the complete glass cockpit/avionic suite and auto pilot for the first Indian multi-purpose civilian aircraft, Saras MK-2. The ordering momentum continues to be strong and we expect sustainable growth in the following years.

With quest of becoming a global manufacturing hub for defence technologies, a joint venture was formed with CONTROP Precision Technologies Limited, Israel, a global specialist in Optical System for land, air and naval applications. The Associate Company will initially address the CONTROP's manufacturing requirements for the existing business in India aligned with the Make in India initiative and then also explored manufacturing of certain products for the world's market. Looking ahead, we recognise the vast opportunities within the defence and space segments and we are ready for the growth it brings to the business. Our strategic direction involves catering to the huge domestic opportunities and progressively scaling up for the export business. We intend to evolve as a prominent systems and solutions provider in the areas of optics and optronic systems, electromagnetic pulse protection solutions, drones and anti-drone technologies. The future is exciting and we seek the continual support of all the stakeholders in our journey of growth.

On this note, I would like to take this opportunity to thank all our employees, for their contribution in the continued success of the Company. Also, I would like to extend my gratitude to our business partners, associates, vendors and the Central and State Government and all other stakeholders of the Company for their continual support.

I would now request, Hemalkumar Sagalia, our Company Secretary to take the proceedings of the AGM ahead.



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Hemalkumar Sagalia, Company Secretary and Compliance Officer

Thank you, Sir,

As per the notice of the meeting, there are total 7 resolutions to be transacted at this meeting, out of which 3 are ordinary and 4 are special businesses. The businesses to be transacted are as follows:

S.no.	Ordinary Business
1.	To receive, consider and adopt the audited financial statements
2.	To consider the re-appointment of Mrs. Shilpa Amit Mahajan (din: 01087912)), who retires by rotation
3.	To re-appoint Statutory Auditors
	Special Business
4.	Re-appointment of Shilpa Amit Mahajan (DIN:01087912) as Whole-time Director of the Company
5.	Re-appointment of Mr. Munjal shard shah (DIN: 01080863) as Managing Director of the company
6.	Ratification of remuneration payable to M/s. Dinesh Jain & co., Cost Accountants
7.	Alteration in the Object clause of the Memorandum of Association of the company

For resolutions, wherein the promoter or promoter group shareholders are interested, the votes cast by them, if any, shall be excluded by the scrutinizer and votes cast by the non-interested shareholders only shall be considered valid.

In respect of items proposed at s.no. 1, 2, 3 & 6 Ordinary resolutions are required and in respect of items proposed at s.no. 4, 5, 7, Special resolutions are required.

In the notice of 14th AGM, all shareholders were requested to lodge their queries related to the items proposed to be transacted at this AGM up to 22nd September 2023. All queries received from shareholders regarding business items were duly replied.

The Scrutinizer shall submit his report within 48 hours from the conclusion of this AGM and once the report of the scrutinizer is received, the chairman will declare the decision of the members on each business transacted by the members through e-voting during the meeting, adding thereto the votes cast by the members through remote e-voting.

The results of the e-voting along with the scrutinizers report will be available on the company's website www.parasdefence.com within the statutory time period and the same would be intimated to stock exchanges NSE, BSE & Link Intime.

Now I would like to request our moderator from Link Intime to connect the shareholders who had given their request for being a speaker at the AGM one by one.

To accommodate larger participation from the shareholders, I would like request the speaker shareholder to complete their queries within shortest possible time so that other speakers will also get a chance to raise their queries

Now, I request the moderator from Link In Time to take it up from here.



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Moderator (Link Intime)

Thank you, sir. Our first speaker for the event is Mr. Shekhar Pareek

Mr. Shekhar, please start your video and you may speak now.

Speaker No.1 - Mr. Shekhar Pareek

Good morning, ma'am. Thank you for providing me the opportunity to speak.

My question to you is that can you please throw some lights on future plan of the companies?

Mr. Munjal Sharad Shah, Managing Director

So, thank you for the question. So, Paras Defence now moving towards complete system business with all the capabilities and capacities that it has built over the last several years. So, our main line of business now still remains optical manufacturing and optical systems. And we are now getting into high-end optical systems where there is first is no clash of interest with any of our existing customers. And second, where there is huge opportunity and also there is a great future. So, to name a few of the optical systems, we are doing submarine periscope.

We are also launching our first camera in partnership with the defence into the space for observation purposes. Along with that, a lot of different types of airborne optical systems, mainly to be on fighter planes and also on helicopters and also focusing on drone cameras, which is really the need of the hour. So, the business of the company grows in this area. Along with that, we also have other technologies that we are working on name such as anti-drone systems, also working on quantum technologies, also working on drones. So, if you see, we have a very wide range of offering and in every area we are trying to do a bit more different than everybody else.

Moderator (Link Intime)

Our second speaker for the day is Mr. Kaushik Saukar. Mr. Kaushik, please start your video and you may speak now.

Speaker No. 2- Kaushik Sahukar

Good morning to all. I am honored to have the opportunity to address you all today and would like to express my gratitude to the Board of Directors for giving me this chance to express my view.

Thank you. Thank you so much, sir. Also, I salute the Board of Directors for continuing PC mode of meetings.

They have been allowing pan in their presence. Sir, I request you to continue this trend. I am a satisfied shareholder of our company and I must commend the management for their amount of efforts in creating wealth among shareholders, particularly amongst bigger shareholders.

For them, wealth in nations first is a defense which is more important. Thank you for protecting our country. My primary concern pertains to utilization of the bank on account of virtual mode of meeting.

I believe it is not fair to allocate a portion of these funds to welfare of shareholders, more particularly amongst bigger shareholders, who actually participate in AGM speakers. Considering the welfare



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contribution and actual moment of the meeting, it would be a gesture of recognition to put a small memento on festivals. Sir, can you provide a bit of break-up of expenses on account of VC mode of meeting and on account of virtual mode of meeting, if possible? My next concern, what are key strategic initiatives and goals for the company in the year long? Yes. How is the company adapting to changes in different industries and evolving market dynamics?

Can you provide an update on development and performance of the company's products and technology? Who is our closest competitor in private sector industry? My final concern is the company has to assist in supporting individuals in need, including myself. I have shared my credentials in the past and followed up with the company, but my request has not been considered. Advisor, should not aiding differently able person be part of sales activity? Appeal, then why my credentials are always ignored? Appeal for supporting certification work, including Form 15-CB.

Your input means a lot to me. If I can't get help from such a reputable company like Paras Defence, then who can I turn to? I'm resending my credentials after AGM in hopes of receiving just and productive consideration for desired help and support. I want to clarify, I'm not seeking free handouts or money or sympathy.

I value my independence and self-reliance as the chartered accountant myself. I hope you can understand my desire and maintain and expect to maintain my desire to maintain my independence. Thank you for considering my request. I firmly believe that with your support, I can make significant contribution to our organization and have a positive impact on our society. I eagerly await your response and sincerely appreciate the time and attention you have given me today. Additionally, I would like to request your assistance in introducing me to our esteemed auditor, Chaturvedi & Shah, the fellow professional I believe to expertise and guidance would be instrumental in realizing our mutual goal.

Mr. Amit Navin Mahajan, Director – Technical and R&D

Thank you, thank you so much, sir. Thank you. So firstly, I'd like to apologize for if there is any communication gap that would have left you out or there is a lack of response from our side.

So we would make sure that we will respond back to you at the earliest and we will more than satisfy you're more than welcome to be a part of the company. You are more than welcome to visit the company. We are absolutely transparent and we have no qualms on inviting all our stakeholders to see the business that we're doing.

That's the first part. You are a part of us and you'll always be. On the second side, the strategy part of the business, if you see the strategic environment for the business of Paras Defence is currently quite conducive. This is not based on any government initiatives alone, but the requirements of the end users, which are in favor of promoting the domestic market. We being in this industry for over 40 years and have been primarily the DNA of the company has been manufacturing of defence technologies and space technologies. We find ourselves at the right place at the right time, which not only promotes the opportunities that are there in the offering for Indian companies, but also justifies the technologies that we have been developing over the so many years. We have been a part of almost all the defence and space programs in the Indian industry, but as well as also started doing exports. So by the legacy and the heritage of our programs and our involvement, the opportunity that lies in front of us is huge. We have started consolidating our offerings, like our MD said some time back from component and subsystems to a complete system and solutions, which makes the business quite scalable, puts lowest requirements on the resources of the company and adds value to the stakeholders.

This is the strategy which has been in play for over three to four years. And this has now started showing results. If you see from the last year, we have started delivering a complete system. This year we'll have



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a sizable amount of systems delivery. And from here on, we would want to become a systems company. This will be a very, very long-term and our sustainable business model.

And we feel that with this over the next few years, we will be world ready and we will start exporting these technologies and we will be no inferior to any America or the Europe's of the world when it comes to defence technologies. Hope have I answered your question, Mr. Kaushik?

Speaker No. 2- Kaushik Sahukar

Who is the closest competitor?

Amit Navin Mahajan, Director – Technical and R&D

So if you have to look at the various capabilities that we have, there is no one company that we can say is a competitor to the capabilities that we have. But there are various verticals of the company and then there are competitors on those verticals of the company. There is no one company which is a competitor to what all we do.

Speaker No. 2- Kaushik Sahukar

So also, have you supplied any material? ISRO or Chandrayaan 3?

We are not allowed or permitted to mention the name of the customers on a public forum. But I think there is a lot of information in the social media, which is public and that all that information is right.

Munjal Sharad Shah, Managing Director

Also, just to inform you that we are a part of each and every optical mission of our country, each and every space optical mission of our country. Could it be for Earth observation? Could it be for interplanetary mission or could it be for science? So Paras Defence is a part of each and every optical space mission of our country. So with this, you can get a fair idea about being a part of most of the optical missions of the space of our country. And besides that, as we mentioned to you, like we are in the country, all the defence companies could be government, could be public or private all of them are live customers today. Example like if you say ISRO, DRDO, Defence PSUs like HAL, BEL all the shipyards of India and all the private top companies of India in defence are our customers. I don't think anybody in the country would have such a wide range of customers as much as Paras Defence.

Speaker No. 2- Kaushik Sahukar

Thank you, Sir.

You're playing a very good role in our defence industry. Salute to you Sir.

Moderator (Link Intime)

Thank you Sir. We have no other speaker shareholder for the day. So we can move to the next agenda

Hemalkumar Hiranbhai Sagalia

Thank You, Munjal Sir and Amit Sir, for keeping us updated regarding shareholders query and Mr. Kaushik, if due to audio constraint if there is anything left unspoken then I request you to write an email to us so



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that we can address those queries. To conclude I just want to say as all the business transactions for this AGM are concluded and all the queries of the shareholders have been addressed satisfactorily, I would like to give my Vote of Thanks to the board of directors & other dignitaries present. Also, I would like to thank all the shareholders of the Company for their presence and co-operation in convening this AGM.

Thank you all once again.

The e-voting for those who have not done participated in remote e-voting I'm requesting all of them the voting shall be available for next 15 minutes. I request all the shareholders to participate in the voting platform and make it a successful event.